0856-B-03 PREX 7.10: FBIS-EAS-93-144-A

For Official Use Only

FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

Annex

AP 27-29

East Asia

The information printed on these Annex pages preceding and following the standard Daily Report cover bears the caveat FOR OFFICIAL USE ONLY. Users may detach the outer pages and treat the Daily Report as unclassified and unrestricted.

FBIS-EAS-93-144-A
Thursday
29 July 1993

JB 99-014181

For Official Use Only

COMPLETED

East Asia
ANNEX

FBIS-EAS-93-144-A CONTENTS *29 July 1993*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

ANNEX

Inter-Asian Affairs

Muto, Romulo Hold Talks on PRC Arms Buildup *[Tokyo MAINICHI SHIMBUN 27 Jul]* .... 1 — II

Cambodia

UNTAC's Akashi Criticizes Pol Pot Faction *[Tokyo NIHON KEIZAI SHIMBUN 28 Jul]* .... 1 — II
Discusses Khmer Rouge Role in Government *[Tokyo ASAHI SHIMBUN 27 Jul]* .... 1 — II

Hong Kong

Spokeswoman Discusses PRC Refugees Problem *[Naha OKINAWA TIMES 28 Jul]* .... 1 — II

Japan

Mitsuzuka Not To Run for LDP Presidency *[NIHON KEIZAI SHIMBUN 28 Jul]* .... 2 — III
Watanabe on Running for LDP Presidency *[YOMIURI SHIMBUN 27 Jul, etc.]* .... 2 — III
Editorial on New Government's Economy Policy *[NIHON KEIZAI SHIMBUN 26 Jul]* .... 4 — V
MITI To Send Officials to U.S. for Trade Talks *[ASAHI SHIMBUN 27 Jul]* .... 5 — VI
Editorial Views ASEAN Foreign Ministerial Talks *[ASAHI SHIMBUN 27 Jul]* .... 6 — VII
Tokyo Plans 'Nonproject Aid' Over 3-Year Period *[NIHON KEIZAI SHIMBUN 22 Jul]* .... 6 — VII
Agency To Propose 'Asian Atomic Organization' *[NIHON KEIZAI SHIMBUN 23 Jul]* .... 7 — VIII
MITI Briefs Advisory Council on 1994 Policies *[NIHON KEIZAI SHIMBUN 22 Jul]* .... 7 — VIII
MITI To Create 'Model Zones' To Attract Foreign Firms *[NIHON KEIZAI SHIMBUN 22 Jul]* ... 7 — VIII
'Kasumigaseki' Column Views Home Affairs Ministry *[NIHON KEIZAI SHIMBUN 28 Jun, etc]* .... 8 — 62
SRV Refugee Boat Picked Up in Okinawan Waters *[OKINAWA TIMES 28 Jul]* .... 9 — 63
MITI Official on U.S. Trade Talks Framework *[NIHON KEIZAI SHIMBUN 26 Jul]* .... 9 — 63
Shiwaku Meets GATT's Sutherland, Urges Rice Exemption *[MAINICHI SHIMBUN 23 Jul]* .... 11 — 65
Wholesalers Increasing Imports for Discount Sales *[NIHON KEIZAI SHIMBUN 19 Jul]* .... 11 — 65
Tokyo To Use New Classifications for ODA *[YOMIURI SHIMBUN 15 Jul]* .... 12 — 66
* MITI, MOF in Power Struggle Over Spending *[SEIKAI ORAI Jun]* .... 12 — 66

Mongolia

External Relations Minister Visits Australia *[MONTSAME]* .... 15 — 69
Japanese Peace Institute Representatives Visit *[MONTSAME]* .... 15 — 69

Inter-Asian Affairs

Muto, Romulo Hold Talks on PRC Arms Buildup

OW2707150493 Tokyo MAINICHI SHIMBUN in Japanese 27 Jul 93 Morning Edition p 3—FOR OFFICIAL USE ONLY

[By Megumi Nishikawa]

[Text] Singapore, 26 Jul— On 26 July, [Japanese] Foreign Minister Kabun Muto met with Philippine Foreign Minister Roberto Romulo and exchanged opinions on the Southeast Asian situation.

Saying that "we are carefully watching" the fact that China is increasing its military budget and is buying more weapons from Russia, Foreign Minister Romulo asked for Muto's view. Foreign Minister Muto said: "My understanding is that they are not to be considered as threats for the time being. In a long term, however, we need to pay attention to it."

Cambodia

UNTAC's Akashi Criticizes Pol Pot Faction

OW2807102393 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Jul 93 Morning Edition p 9—FOR OFFICIAL USE ONLY

[Text] Yasushi Akashi, representative of the UN Transitional Authority in Cambodia (UNTAC), met with a NIHON KEIZAI reporter at a Tokyo hotel on 27 July. In this interview, he severely denounced the Pol Pot Faction, which lately has launched small-scale attacks, and he also indicated his negative attitude toward the idea of allowing the Pol Pot faction to join in the new administration. He then welcomed the Japanese Government's decision to provide emergency financial aid amounting to $4.2 million to the Cambodian transitional government, and said: "Now we can expect to obtain emergency financial aid of $20 million (which is urgently needed)."

Representative Akashi said: "I agree with Prince Sihanouk's plan to reduce the more than 150,000 troops (of the transitional government) to 50,000 eventually." In this way, he disclosed the plan to reduce the military force to one third under the new administration. On the one hand, he said that "the nature of the Pol Pot faction has not changed," thus denouncing its warlike stand. He added: "It will be better to have troops well trained even on a small scale." Thus, Akashi indicated his view of modernizing the new administration's military forces with various bilateral assistance, including military aid from such nations as France.

Discusses Khmer Rouge Role in Government

OW2807114993 Tokyo ASAHI SHIMBUN in Japanese 27 Jul 93 Morning Edition p 3—FOR OFFICIAL USE ONLY

[Text] Yasushi Akashi, of the UN Transitional Authority in Cambodia (UNTAC), who is a special representative of UN secretary general, granted an interview to an ASAHI SHIMBUN reporter at a Tokyo hotel on 26 July. Regarding the possibility of allowing the Pol Pot faction to join the Cambodian Government, Akashi said that the Pol Pot faction needs to accept various conditions, including liberalization of areas under its control. The United States disapproves of this idea. He also said that "other factions are also wary" of the Pol Pot faction. In this way, he explained his view that settlement of the Pol Pot faction issue is not an easy task.

On the current situation regarding the Pol Pot faction, Akashi stated that some Pol Pot faction officers are asking UNTAC, "When can we join the unified military (which is formed by the three factions)?" He pointed out that such a tone down can be felt "only in a limited region." Reportedly, the Pol Pot faction is "sorely perplexed" about what to do with the facts that a general election was held and that a tentative national government has been formed. However, he stated that "it is unknown whether or not the Pol Pot faction is in financial trouble."

Unexpectedly, few cases of disturbances by the Pol Pot faction were reported during the election period. In this connection, Akashi said Prince Sihanouk had told him that "the Thai military might have kept the Pol Pot faction in check." Among other things, Akashi explained his assumptions that 1) the Pol Pot faction might have tried to retain its power, 2) the Thai Government and military might have asked the Pol Pot faction to refrain from causing disturbances, and 3) there is an indication that the United States had contacted the Thai Government.

Hong Kong

Spokeswoman Discusses PRC Refugees Problem

OW2807144993 Naha OKINAWA TIMES in Japanese 28 Jul 93 Morning Edition p 21—FOR OFFICIAL USE ONLY

[Report on interview with Hong Kong Government spokeswoman Janet Lui; place and date not given]

[Text] Chinese Vietnamese have recently immigrated in large numbers to Hong Kong, and this has become a major problem. In an interview with the OKINAWA TIMES, Janet Lui [name as published], spokeswoman for the Hong Kong Government, has explained their immigration to Hong Kong.

Since the beginning of July, 1,654 refugees have already emigrated from China to Hong Kong. According to their statement, they formerly lived in Vietnam and then immigrated to China in 1987, a year before the Sino-Vietnam war broke out. They lived in China for more than 15 years before they immigrated to Hong Kong. Asked why they immigrated to Hong Kong, they said that they had lost their houses after their residential areas had been destroyed under the Chinese Government's policy.

Their illegal immigration to Hong Kong has become a headache for the Hong Kong Government, and the Hong Kong Government is now studying ways to deport them to China.

Meanwhile, the Human Rights and Refugee Division of the Japanese Foreign Ministry says that it does not know details of the refugee problem in Hong Kong, but it suggests the possibility that the refugees came from China, saying that "they appear to have left the inland areas of China and arrived in Hong Kong."

According to the division, it is ambiguous whether they are Chinese Vietnamese or Vietnamese Chinese, but there is a strong possibility that they are economic refugees. If they are found to be economic refugees, they will be sent back to China.

Unlike the boat people, Chinese Vietnamese refugees have come to Japan via Hong Kong or Taiwan instead of trying to immigrate to nations in Indochina. Vietnam is now recovering from war ravages, and Vietnamese have no reasons to try to immigrate to other nations.

According to the division, two or three ships carrying refugees have sailed from Hong Kong toward Japan, although this has not been confirmed. The refugees are believed to be a small number compared to a large number of Vietnamese refugees who tried to land in Japan in 1989 posing as Chinese refugees. The division says that the Japanese Government intends to resolve the refugee problem in concert with the Governments of Hong Kong and China.

Japan

Mitsuzuka Not To Run for LDP Presidency

OW2807032393 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Jul 93 Morning Edition—FOR OFFICIAL USE ONLY

[Received via Nikkei Telecom Database]

[Text] Hiroshi Mitsuzuka, chairman of the Policy Affairs Research Council of the Liberal Democratic Party [LDP], met with reporters at the Mitsuzuka faction office in Tokyo on the evening of 27 July. Regarding the LDP presidential election, Mitsuzuka formally announced his decision not to run, but disclosed his intention of giving full support to the candidacy of Masaharu Gotoda, deputy prime minister and concurrently justice minister. Gotoda has not changed his position of rejecting the request from party members to run in the election. However, Mitsuzuka stated strongly: "It is impossible for Mr. Gotoda not to comply with our request. Efforts will be made up until the last minute prior to the filing deadline of noon on 28 July."

Concerning the approach that may be taken by the Japan New Party [JNP] and Shinto Sakigake [Harbinger Party] in case Gotoda should agree to run in the election, Mitsuzuka stated: "It will depend on their future judgment." However, he added: "Now that we have given a definite answer (to their plan for forming a political reform administration), we place great expectations on them along with our prayers." He thus indicated his expectations for their cooperation in maintaining the LDP administration.

Taking into account the fact that the LDP lost its majority by a large margin in the last general election, Mitsuzuka said: "To meet the people's mandate for political reform, it is imperative that each and every Diet member become united, disregarding his own personal interests and giving up the faction's interests." He thus expressed his understanding that the top priority must be given to establishing the unity of the entire party for the purpose of translating political reform into reality.

Then he announced his idea of giving up his own candidacy, stating: "In order to uphold our administration, I am determined to sacrifice myself for the purpose of winning the cooperation of those political parties that share a common political philosophy with us." He also emphasized "I intend to do my best to get Mr. Gotoda to accept the post of party president."

Within the LDP there are moves to support former Deputy Prime Minister and Foreign Minister Michio Watanabe, as well as former Finance Minister Ryutaro Hashimoto, in running for the party presidency. However, Mitsuzuka said: "Mr. Gotoda enjoys extensive support from the entire party." He also predicted that if Mr. Gotoda should decide to run in the election, it would be possible to concentrate support on one candidate. Regarding intraparty coordination to this end, Mitsuzuka said: "Further consultations among politicians are now being conducted." Thus he hinted that coordination among influential leaders of various factions are now in progress.

Watanabe on Running for LDP Presidency

OW2807121793—FOR OFFICIAL USE ONLY

[Editorial Report] The Tokyo vernacular dailies YOMIURI SHIMBUN and ASAHI SHIMBUN, in their 27 July morning editions, carry interviews with former Foreign Minister Michio Watanabe. The two nationally circulated newspapers do not say where or when the interviews were conducted.

In the interviews, Watanabe stresses that "there is no change in my enthusiasm for running in the upcoming presidential election of the ruling Liberal Democratic Party [LDP]."

///

In the 900-word YOMIURI SHIMBUN interview on page 2, Watanabe expresses his confidence in winning the upcoming LDP presidential election, saying that "if there is no possibility of winning in the election, I would not run." Asked about his basic position on political reforms, Watanabe points out many candidates who promised to deliver political reforms were elected in the latest general elections and says: "I intend to coordinate views within the LDP on political reforms based on the combination electoral system of single-seat constituency and proportional representation that the LDP has drafted, " adding that there is no great difference between the LDP-drafted electoral system and the system proposed by the Japan New Party [JNP] and Sakigake [Harbinger].

Asked about the possibility of the combination electoral system splitting the LDP, Watanabe says that "it hinges on how a new party leader will display his leadership." Regarding the criticism from LDP junior lawmakers of LDP factionalism, Watanabe defends the factionalism, saying: "It is ridiculous for them to criticize the LDP factionalism. They are not qualified to criticize the factionalism since they were elected with the help of each faction in the LDP." Asked if the LDP is in a situation where it has to become an opposition party after transferring power, Watanabe says that "I do not know, but whether or not it hands over power depends on what will happen from now on."

Discussing the difference between the policies of the LDP and other political parties, Watanabe attacks opposition parties for trying to seize power through the formation of a coalition despite their policy differences, saying: "The opposition parties are now rushing for the formation of a coalition only with the aim of seizing power. The formation of a coalition government is tantamount to a marriage of convenience [yago] and it is not desirable." Watanabe also notes that "it will be hard for the main opposition Socialist Democratic Party of Japan [SDPJ] to shape an intra-party consensus on the policies of security, Japan's participation in the UN peacekeeping operations (PKO), nuclear power plants, the administrative reform, and the consumption tax. Asked to comment on the SDPJ's assertion that it will form a coalition government and inherit LDP policies, Watanabe blasts the SDPJ's assertion, saying: "It is ridiculous. That is an expression of the SDPJ's desire to take the reins of government and key government posts." Asked to comment on the abolition of LDP factionalism, Watanabe says: "Under the current multiple-seat constituency system, factionalism is a necessary evil and cannot be abolished. Once the single-seat constituency system is adopted, however, factionalism would disappear."

In the page-5, 1,300-word interview with ASAHI SHIMBUN, Watanabe, discussing his chances of winning the LDP presidential election, says that "my chances of winning the election hinges on who will be my competition." Asked to comment on moves by opposition parties to form a coalition government, Watanabe says: "I cannot understand the notion that only anti-LDP political parties can form a coalition government. The LDP is about to regenerate itself and in response to the results of the latest general elections, the LDP has announced that it will deliver political reforms." On a JNP-Sakigake proposal to deliver political reforms centering on the adoption of the combination electoral system of single-seat constituency and proportional representation, Watanabe highly rates their proposal, saying that "their proposal is realistic."

Asked about the handling of political contributions from enterprises and business organizations, Watanabe says that if political funds are raised publicly, the contributions from enterprises and business organizations would become unnecessary.

Commenting on anti-LDP political parties, Watanabe stresses the importance of policies and says: A "majority of lawmakers in the JNP and Sakigake were once affiliated with the LDP and they hold almost the same political beliefs as LDP lawmakers. They have broken away from the LDP because Prime Minister Miyazawa failed to keep his promise to enact a package of political reform bills in the Diet. Now that Mr. Miyazawa has announced his intention to resign as LDP president, the LDP intends to deliver the political reforms and stop money politics." Watanabe also adds that the JNP and Sakigake could be coalition partners with the LDP.

Asked to comment on the JNP, Watanabe says: "Morihiro Hosokawa, JNP representative, was affiliated with the Tanaka faction in the LDP when he was a House of Councillors member. He and we share the same roots. He has not changed his political ideology and beliefs and most JNP lawmakers share his political ideology and beliefs. Now, conservative forces have come to make up two-thirds of the House of Representatives seats and this development could contribute to the stability of our nation's political situation depending on how they will move in the future." Watanabe goes on to say: "If political parties form a coalition government despite their policy differences, the coalition government would look ridiculous. We cannot neglect economic stimulus measures and foreign policy for even a day. It is important to form a stable government for the sake of the people."

Asked about his health, Watanabe says: "The LDP president does not need to engage in a marathon or sumo wrestling. He has to do hard work, but he does not need to do so during August. Since I endured the rigors of campaigning during the latest general elections, there is no problem with my health. I plan to have doctors check me this week."

Editorial on New Government's Economy Policy

OW2807124893 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Jul 93 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Editorial: "'New Government' Urged To Pursue Responsible Economy Policy"]

[Text] Under the present political turmoil, politicians are paying their attention to political reforms and political tie-ups, and it is natural for them to do so. Nonetheless, there is no reason to leave the economic policy sidetracked. Japan's economy still remains stagnant, and Japan is under attack from the rest of the world for its ballooning current account surplus. Politicians are being asked to display their leadership in overhauling the structure of Japan's economy. The present stage is that politicians eager to form a new government must hastily formulate a new economic policy, with Japan's future economy and the people's future lives taken into account, not with their popularity in mind.

The actual state of Japan's economy is still very difficult. At long last, Japan's economy has been bailed out of the latest serious recession which came following the burst of the bubble economy, but no signs of its recovery are seen. The aftereffects of asset deflation still linger. Personal income has not increased and this has kept personal spending lackluster. Enterprises report no improvement in their earnings, while they show no enthusiasm for fresh investment. The self-restoration of demand in the private sector cannot be expected for the time being.

With a series of bribery scandals unfolding in connection with public works projects, there is a possibility that the implementation of planned public works project might be delayed. The May economic trend indicator painted no rosy picture for both the current and the future economy. There are lingering concerns that Japan's economy might fall into another recession.

The economy policy of each political party eager to take the reins of government is not necessarily clear. It goes without saying that political parties must give priority to delivering political reforms, but we do not believe that they think it desirable to leave the handling of economic policy to the bureaucrats. The major cause for the prolongation of the latest recession and in the adjustment of the bubble economy was the delay in the government's policy initiatives and the government's failure to make a correct assessment of the economy. It can be said that this phenomenon arose from the fact that politicians frantically ran around in search of their own interests while leaving the overall management of the economy to the bureaucrats.

Politicians Urged To Take Measures Without Delay To Spur Economy

In order to prevent a recurrence of such a mistake, politicians must think of what measures they should take to stimulate the economy when they form a new government. The government's tax revenues are falling because of the current economic stagnation. If the economy is not reconstructed now, tax revenues will fall further. If the self-restoration of demand in the private sector cannot be expected, the fiscal role is important to restore the economy.

All political parties, without the exception of the ruling Liberal Democratic Party [LDP] and Sakigake [Harbinger Party], favor cutting the personal income tax, which has become the focus of attention. Support for cuts in the personal income tax is persistent within the LDP. The personal income tax has not been cut since 1989, and there is a growing feeling among the middle- and high-income strata that they are taxed too heavily. It is true that the delay in cutting the personal income tax has resulted in curbing the personal spending at a unnecessary level. Thus far, the government has focused on implementing the public works projects to spur the economy without taking any measures to cut the personal income tax, which was one of the factors responsible for prolonging the latest recession. Thus, the government has failed to maintain a balance in managing the economy.

The personal income tax should have been cut earlier. It is wrong to see cuts in the personal income tax as a policy to gain the public's popularity and as a policy to give the people a financial favor in a multiparty era.

Needless to say, what is important is to reform the tax system with the aim of redressing the current ratio between direct and indirect taxes. Cuts in the personal income tax and an increase in the consumption tax cannot be bypassed in order to prepare for a senior citizens society. While Shinseito [Japan Renewal Party] is flexible about increasing the consumption tax, the Social Democratic Party of Japan [SDPJ] is against increasing it, and the LDP is divided over increasing it. Any political party, if it intends to take the reins of government, is supposed to find the need to seek the people's understanding for the increase in the consumption tax.

Depending on the future economic trend, politicians should think of cutting the income tax within this year. They should not hesitate to cut government spending and to issue deficit-covering bonds if necessary when they cut the income tax. It is ridiculous to think that finances are in order if the goal of not having to issue deficit-covering bonds is met. If politicians increase unclear borrowings and expand public works projects financed by construction bonds while leaving the budget allocation rate fixed, this would run counter to sound financial thinking.

The public works projects are invariably a pillar of economic stimulus measures. If this is true, it is necessary to sweepingly change the budget-allocation rate as a way of meeting the needs of the present time and to

V

reform the current ordering method including the adoption of an open-tender system. The people have deep distrust in the way that public works projects are implemented, and political parties need to put forward their concrete plans to improve the situation.

It is important to manage the monetary policy flexibly. It is natural to respect the independence of the Bank of Japan in managing monetary policy. How to coordinate the financial and monetary policies is the job of the political party in power. While the official discount rate is at a record low level of 2.5 percent, prices remain stable and the money supply remains curbed. Depending on the future economic trend, it should be dealt with flexibly instead of caring about keeping it at a record low level.

Japan Urged To Take Initiative in International Cooperation By Opening Rice Market

It is time for Japan to hastily move toward a domestic-demand-oriented economy by steadily pursuing economic stimulus measures. Japan needs to study measures to deregulate, redress price differences between Japan and other nations, and change the current economic structure while taking macroeconomic measures. The appreciating yen will make it easy for Japan to shift the current export-oriented economic structure to a consumer-oriented economic structure. Japan is now at a stage to aggressively take advantage of the appreciating yen in order to raise the purchasing power of consumers instead of fearing the stronger yen.

This shift in the economic structure will lead to reducing Japan's huge current account surplus some time in the future. It will take years before Japan's huge current account surplus is reduced. Japan cannot simply reiterate that "it opposes any managed trade" at Japanese-U.S. comprehensive economic talks.

In order to stem the trend of managed trade, the multilateral trade negotiations (the Uruguay Round of the GATT) should be concluded within this year as agreed on at the industrialized nations' summit talks (the Tokyo summit). Japan, which has benefited most from the GATT system, is in a position to lead the negotiations, and opening the Japanese rice market is an indispensable condition for that purpose.

All political parties are negative about opening the Japanese rice market. If they take leadership in opening the Japanese rice market, it would be an evidence that they stand on the side of consumers and attach great importance to Japan's international cooperation.

The Miyazawa government, which was inaugurated as a full-fledged government at the transition time of history, has been later discredited by the people because it has failed to display leadership in managing the economy and to put forward confident policies. The Miyazawa government's failure to do so has created a psychological recession among enterprise and consumers, and this has resulted in the stagnation in Japan's international cooperation. For political parties eager to take the reins of government, it is time to set forward their respective blueprints for a responsible economic policy without fearing any discord among them.

MITI To Send Officials to U.S. for Trade Talks

OW2807115093 Tokyo ASAHI SHIMBUN in Japanese 27 Jul 93 Morning Edition p 9—FOR OFFICIAL USE ONLY

[Text] The Ministry of International Trade and Industry [MITI] made clear on 26 July that it will send Yoshihiro Sakamoto, chief of the International Trade Policy Bureau, to the United States in early August. MITI is also studying the possibility of sending Deputy Vice Minister Sozaburo Okamatsu to the United States in late August. The objective of their visit to the United States is to have a "first get-together" with U.S. Government officials in charge of trade policy. Now that differences have become apparent between the Governments of Japan and the United States over a framework for new Japanese-U.S. economic talks on which both Japan and the United States have agreed, the men are believed to be visiting Washington to lay the groundwork for new Japanese-U.S. economic talks scheduled to be held this fall.

While in Washington, Mr. Sakamoto will meet with officials in charge of U.S. trade policy at the U.S. Trade Representative, high-ranking officials at the National Economic Council, which has in fact controlled bilateral negotiations on new Japanese-U.S. economic talks; and other senior U.S. Government officials.

MITI intends to send Deputy Vice Minister Okamatsu to Washington for an exchange of views with U.S. Government officials after further studying measures to deal with the framework for new Japanese-U.S. economic talks based on a report to be submitted by Mr. Sakamoto.

The framework for new Japanese-U.S. economic talks was agreed upon between the two countries on 17 July. An agreement in the form of a document explicitly stipulates that "Japan should cut fully and significantly its current account surplus in the medium and long term." As for individual trade sectors, including Japan's purchase of supercomputers, the document calls for the establishment of an "objective criterion" to monitor Japan's purchase of them.

After the two countries agreed on the framework for new Japanese-U.S. economic talks, however, Under Treasury Secretary Summers and other U.S. Government officials have spoken as if Japan had committed itself to setting numerical targets [for its imports from the United States]. In response, Japanese Government officials have strongly reacted against their remarks, claiming that "Japan has never committed itself to setting such numerical targets."

VI

A senior MITI official says that "Mr. Sakamoto and Mr. Okamatsu will unequivocally notify U.S. Government officials of Japan's position on that point." Now that Japan's current account surplus, which is considered to be a cause of the current Japanese-U.S. friction, is not expected to decrease for the time being, it remains doubtful whether they can successfully persuade U.S. Government officials [on the interpretation of the U.S.-Japanese agreement].

Editorial Views ASEAN Foreign Ministerial Talks

OW2807083393 Tokyo ASAHI SHIMBUN in Japanese 27 Jul 93 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Editorial: "ASEAN Taking Step Toward Security"]

[Text] At the foreign ministerial talks of the Association of Southeast Asian Nations (ASEAN), an agreement was reached on establishing an "ASEAN regional forum" to discuss the security of the Asia-Pacific region.

The ASEAN regional forum will be composed of 19 nations that include six ASEAN members, Japan, the United States, the European Community (EC), China, Russia, and Vietnam. Thus, major nations in the region will join the forum.

Even after the end of the cold war, the seeds of conflict still remain on the Korean peninsula, in Cambodia, in the South China Sea, and in Southwest Asia. The birth of the forum designed to build confidence and prevent conflicts in the region, which has so far had no venue for comprehensive multinational discussions, deserves to be welcomed.

Compared to the Conference on Security and Cooperation in Europe (CSCE), the ASEAN regional forum is a moderate consultative body. Nonetheless, the ASEAN regional forum is the sole venue for the discussion of security in the Asia-Pacific region, and Japan should value the forum.

ASEAN was wary of being drawn into the rivalry between the two superpowers during the cold war era, and it has consciously avoided holding talks on regional security since it was created in 1967. With the collapse of the Soviet Union and the United States' phased withdrawal from the region, however, a "balance of power" in the region has broken down. China and Japan have increased their influence in the region, and ASEAN has begun to see their moves and India's military buildup as a threat.

China's buildup of naval strength and its hegemonic moves toward the Spratly Islands have hit a nerve in ASEAN. China's moves have prompted ASEAN members to rush for a military buildup and to deepen their distrust in China.

President Clinton has proposed holding the summit talks of the Asian Pacific Economic Cooperation conference (APEC) [in the United States]. At the foreign ministerial talks, the President's proposal was discussed, but the discussion failed to yield a consensus on holding the summit talks. ASEAN, which has depended on the United States for its security, moved against the United States because of its own economic interests.

ASEAN is concerned about whether the United States intends to turn the APEC into a venue for trade negotiations. ASEAN is believed to be concerned that it itself might be swallowed up by the APEC.

All ASEAN members are aware fully of the fact that they depend on the free trade system for their economic success. The ASEAN members, who have a long bitter experience of colonial rule, tend to strongly react against any superpower-led attempt to build a new regional order.

The United States, Japan, and China should not ignore their [ASEAN's] feelings, which can be seen as overly sensitive. In particular, Japan, standing between the United States and China, should work to dispel ASEAN's distrust and to laterally support the ASEAN to aim for an open "Asia-Pacific region."

What concerns us is a statement released at the end of the foreign ministerial talks. The statement touched on human rights problems and stated that "it is detrimental to international cooperation to condition development aid and economic cooperation on addressing human rights problems." To be sure, it cannot be denied that demands from the United States and European nations for improvements in the human rights record have been too impatient.

As indicated in a declaration adopted at the latest session of the UN Conference on Human Rights, human rights are the universal principle of humankind. ASEAN belongs to a region which is now called the "center of the world's growth." The time has now come for ASEAN to aim for the coexistence of "human rights" and "prosperity."

Tokyo Plans 'Nonproject Aid' Over 3-Year Period

OW2307144293 Tokyo NIHON KEIZAI SHIMBUN in Japanese 22 Jul 93 Morning Edition p 7—FOR OFFICIAL USE ONLY

[Text] As a new policy on economic grants to developing nations, the government has decided to reinforce so-called "nonproject" aid, which is used to make up fiscal deficits of the aid-receiving nation. In the three-year period from fiscal 1993 to 1995, Japan will offer $650-700 million (approximately 70 to 75 billion yen [Y]). Ordinary monetary aid is offered as project aid, which is intended to cover such definite projects as construction of highways and ports. The government believes a combination of the project and nonproject aid will improve the quality of Japan's aid programs.

Under the nonproject aid policy, Japan intends to extend economic grants to developing nations suffering from fiscal deficits. Aid-receiving nations can use the money for various purposes, including purchase of medical supplies and repayment of external debts. However, the aid-receiving nations are required to map out economic restructring plans in line with guidelines of the IMF and the World Bank, and to report the purpose of expenditures to Japan in advance.

In fiscal 1993, Japan has prepared Y26.5 billion for nonproject aid, and has already offered Y5.5 billion—Y3 billion to Peru and Y2.5 billion to the Philippines.

Agency To Propose 'Asian Atomic Organization'

OW2307053193 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Jul 93 Morning Edition—FOR OFFICIAL USE ONLY

[Received via Nikkei Telecom Database]

[Text] The Science and Technology Agency plans to propose setting up an "Asian Atomic Organization (acronym ASIATOM)" (tentative name) through which exchanges on nuclear power technology as well as discussions on nuclear proliferation issues can be carried out. Asian countries will be called on to participate in it so that they gain effective know-how on safety for nuclear power plants.

Japan wants to use the body also as a venue for building up trust in Japan, by helping other nations understand Japan's policy concerning its plutonium. Japan's plan is to open the organization to the DPRK (North Korea)—the country suspected of being engaged in a nuclear program—as well. It is possible that the organization as such will develop into a new framework that will augment the system of the nuclear Nonproliferation Treaty (NPT) in Asia.

According to the plan, the secretariat office of the new organization will be located in Tokyo, and participating nations will provide required personnel to the body. The agency wants to have a study panel finalize details of the plan in 1994. Nations concerned including China and South Korea will be called on to participate. The target for the start of the organization is 1995.

In the area of technological cooperation, which is the primary reason for the organization's being, exchanges of personnel and information concerning safety technology will be promoted. In Asia, at present, Thailand and Indonesia are thinking about building nuclear power plants. In countries like South Korea, China, and Taiwan, which already have nuclear power plants, there is now rising interest in obtaining high-level technology for improving plant safety. In the area of nuclear nonproliferation, the secondary goal of the organization, what Japan wants to do is to explain its plutonium policy to Asian countries and to gain their understanding for it.

MITI Briefs Advisory Council on 1994 Policies

OW2307134893 Tokyo NIHON KEIZAI SHIMBUN in Japanese 22 Jul 93 Morning Edition p 5—FOR OFFICIAL USE ONLY

[Text] On 21 July, the Ministry of International Trade and Industry [MITI] presented an outline of new projects for fiscal 1994 to the (MITI minister's advisory) Industrial Structure Council.

As priority issues, MITI indicated the following four points: 1) Promotion of policies to support smaller companies' business restructuring; 2) redress of trade imbalance through expansion of the domestic market and promotion of imports; 3) promotion of environment-friendly energy policies; 4) introduction of comprehensive measures for preventing product-related accidents. The advisory council basically approved the MITI plan. Following the council's approval, MITI intends to formulate its budget request for fiscal 1994 based on the outline.

To avoid the so-called industrial hollowing phenomenon, the outline focuses on support for business restructuring of smaller businesses, and on development of new social infrastructures in consideration of the growing population of the aged. Also, the outline calls for such consumer-oriented policies as the product liability (PL) system, aimed at consumers' appreciation for a better livelihood.

Concerning foreign policy, MITI advocated that Japan should positively deal with such global issues as industrial assistance to Russia and developing nations, security framework, and technological assistance to environmental protection efforts.

MITI To Create 'Model Zones' To Attract Foreign Firms

OW2407052293 Tokyo NIHON KEIZAI SHIMBUN in Japanese 22 Jul 93 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Text] The Ministry of International Trade and Industry [MITI] plans to set up "model zones for promotion of investments in Japan" beginning in 1994 in order to attract foreign companies' production and distribution bases into Japan. The ministry is thinking about having about five of them in the country.

The government-run banking institutions will render assistance in making low-rental offices and housings available to the foreign companies. The special treatment for foreign companies is expected to result in complaints from the local industry as being "reverse-discrimination," but the MITI is taking the criticism of America and Europe on Japan's closed market as serious, and has decided efforts to help the foreign direct investments expand are essential.

The investment promotion model zones are comparable to the "import promotion areas," work on which began

FOREIGN
BROADCAST
INFORMATION
SERVICE

Daily Report

East Asia

FBIS-EAS-93-144
Thursday
29 July 1993

IX

Daily Report
East Asia

FBIS-EAS-93-144 CONTENTS *29 July 1993*

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-ASIAN AFFAIRS

Russian, Singaporean Foreign Ministers Meet *[Singapore THE STRAITS TIMES 25 Jul]* 1
Kozyrev Views Muslim Participation in Bosnia *[Singapore THE STRAITS TIMES 26 Jul]* 1
New Zealand Proposes UN Peacekeeper Protection *[Kuala Lumpur International]* 2
ASEAN, Partners Differ on Approach to Burma *[Kuala Lumpur BERNAMA]* 2
News Conference Closes ASEAN Meeting *[Singapore Radio]* 2

NORTHEAST ASIA

Japan

Muto's NPT Remarks Made Without 'Permission' *[KYODO]* 4
Akashi Expresses Thanks for New Aid to Cambodia *[KYODO]* 4
  Urges New Government To Contribute *[KYODO]* 4
  Says WWII Issue Not 'Alibi' *[KYODO]* 5
SRV Boat People Admitted for Refugee Screening *[KYODO]* 5
Ex-Im Bank Pledges Untied Loan to Indian Oil *[KYODO]* 6
Fujitsu Plans Digital Phone Systems in India *[KYODO]* 6
No Major Change Said Expected in Defense Policy *[KYODO]* 6
Political Scene 'May Be Good' for War Victims *[KYODO]* 6
Candidates Watanabe, Kono Speak at LDP Meeting 8
  Vow Reconstruction of Party *[KYODO]* 8
Opposition Alliance Picks Hosokawa as Candidate *[KYODO]* 9
LDP Calls Nomination of Hosokawa 'Collusion' *[KYODO]* 10
Hata 'Expected' To Serve as Vice Premier *[KYODO]* 10
Opposition Candidate Morihiro Hosokawa Profiled *[KYODO]* 11
Basic Agreement, Policies of Coalition Adopted *[KYODO]* 12
Major Political Parties Profiled *[KYODO]* 12
Ibaraki Governor Accused of Receiving More Money *[KYODO]* 13
Mori Urges Emphasis on Economy Despite 'Turmoil' *[KYODO]* 14
Non-LDP Coalition Supports More 'Pump-Priming' *[KYODO]* 14
Firms' Incomes Reflect 'Protracted Slump' *[KYODO]* 14
Poll: Local Firms Prefer Domestic Semiconductors *[KYODO]* 14
Consumer Confidence 'Picked Up' Apr-Jun *[KYODO]* 15

North Korea

KCNA Denounces South on Stoppage of Rally 15
  Paper Criticizes Rally Prevention *[KCNA]* 15
SKNDF Denounces South Use of Arbitration Power *[KCNA]* 16
  Union Denounces Arbitration Power *[KCNA]* 16
  Committee Chides ROK on Arbitration *[KCNA]* 16
KCNA Reports on South Joint Military Exercise 17
WPK, Pyongyang Government Fete PRC Guests *[Pyongyang Radio]* 17
Defense Minister Greets PRC Counterpart *[KCNA]* 18
Vice-Premier Meets PRC Provincial Delegation *[KCNA]* 19
PRC Ministry Welcomes Progress in Geneva Talks *[KCNA]* 19
Japan's 'Outcries' Over Nuclear Issue 'Pretext' *[KCNA]* 19
  Minister's Remarks 'Unreasonable' *[KCNA]* 19
Foreign Minister Meets New Cambodian Ambassador *[KCNA]* 20
Assembly Chairman Meets Lao Assembly President *[KCNA]* 20

President Kim Il-song Receives Russian Group *[KCNA]* 20
Kim-Il Song Greets Fidel Castro on Anniversary *[KCNA]* 20
Papers Mark Anniversary of Cuban Uprising *[KCNA]* 21
Castro Said To Denounce Clinton Remarks on DPRK *[KCNA]* 21
Vice Premier Meets Iranian, Syrian Delegations *[KCNA]* 21
Prime Minister Holds Talks With Mozambican Group *[KCNA]* 21
Premier Meets With Visiting Ugandan Delegation *[KCNA]* 21
Lusaka, Pyongyang Delegations Hold Talks 24 Jul *[KCNA]* 22
Social Democratic Party Elects Committee Chairman *[KCNA]* 22
Chondoist Chongu Party Elects Chairperson *[KCNA]* 22
Ceremony Marks Renovation of War Memorial Hall *[KCNA]* 22
WPK Publishes Book on Kim Il-song's Command *[KCNA]* 22
Kim Chong-il Sends Gifts to Veterans at Conference *[KCNA]* 23
Gross Industrial Output Value Rises 12 Percent *[KCNA]* 23
KCNA Reports 29 Jul Pyongyang Press 23
KCNA Reviews 28 Jul Pyongyang Press 24
KCNA Reviews 27 Jul Pyongyang Press 25
KCNA Reviews 26 Jul Pyongyang Press 25
KCNA Reviews 24 Jul Pyongyang Press 26
* Trade With Russia, China Seen Changing *[NAEWE TONGSIN 20 May]* 27

South Korea

DPRK Ship in Taiwan for 1st Time in 40 Years *[Seoul TV]* 29
CIA Director Views DPRK's Weapons Capability *[YONHAP]* 29
YONHAP Notes Recent Changes in DPRK Leadership 29
Seoul Requires Formal Russian Request on Debt *[YONHAP]* 29
Russia To Place Capsule in Orbit To Celebrate Expo *[YONHAP]* 30
Seoul Views Place in PRC for Separated Families *[CHUNGANG ILBO 26 Jul]* 30
Chinese Envoy to UN Arrives for Three-Day Visit *[YONHAP]* 31
Daily Views PRC Dealings With North, South *[KYONGHYANG SINMUN 29 Jul]* 31
Navy Increases Protection of Ships in China Seas *[YONHAP]* 32
General Discusses Military Armistice Commission *[KYONGHYANG SINMUN 27 Jul]* 32
DLP Fights Off Comparison With Japan's LDP *[YONHAP]* 33
Few Lawmakers Meet Requirement To Register Assets *[YONHAP]* 33
Officials, Steel Exporters React to ITC Ruling *[THE KOREA HERALD 29 Jul]* 33
Police Mobilization Likely at Hyundai Affiliates *[YONHAP]* 34
Court Rules Dissolution of Kukje Group Illegal *[YONHAP]* 34
  Business Community Welcomes Ruling *[YONHAP]* 35
* Pressure Mounts To Reform Judicial System *[SISA JOURNAL 27 May]* 35
* Young Judges Organize Reform Group *[CHUGAN CHOSON 24 Jun]* 37

SOUTHEAST ASIA

Brunei, Malaysia & Singapore

Malaysia

PLO's 'Arafat Arrives, To Hold Talks With Mahathir *[Kuala Lumpur International]* 40
  Mahathir, 'Arafat Hold Private Talks *[Kuala Lumpur Radio]* 40
  'Arafat Appeals to NAM *[Kuala Lumpur International]* 40
Information Minister Rebukes Foreign Press *[NEW STRAITS TIMES 27 Jul]* 40
Commentary Welcomes Pledges of Support for Cambodia *[Kuala Lumpur International]* 41

Singapore

Editorial Hails Importance of ASEAN Meeting *[THE STRAITS TIMES 27 Jul]* 41
Bilateral Trade With Indonesia Reported *[THE STRAITS TIMES 27 Jul]* 42

Cambodia

Ranariddh Speaks to Press Editors *[Phnom Penh Radio]* 43
Ranariddh, Hun Sen Leave for Visit to Laos *[Phnom Penh Radio]* 50
Foreign Minister Convenes Meeting on Aid Issues *[Phnom Penh Radio]* 51
Foreign Minister Discusses Outcome of ASEAN Meeting *[Phnom Penh Radio]* 51
Cochairmen Hold Meeting on Industry, Energy *[Phnom Penh Radio]* 51
Interior Ministry Issues Communique on Weapons *[Phnom Penh Radio]* 52

Laos

Reportage on Visit by Cambodian Cochairmen 52
    Leaders Hold Talks *[Vientiane Radio]* 52
    More on Talks *[Vientiane Radio]* 52
    President Receives Cochairmen *[Vientiane Radio]* 53
Somsavat Lengsavat Returns From Singapore *[Vientiane Radio]* 53

Philippines

Japan Releases $15 Million Under 'Green Aid Plan' *[BUSINESS WORLD 29 Jul]* 53
Senate Probes Deaths of Workers in Japan *[Tokyo KYODO]* 54
Ramos Discusses Defense Cooperation With U.S. *[Manila Radio]* 54
Ramos Approves Further Levy on Oil Imports *[MANILA BULLETIN 27 Jul]* 54

Thailand

Minister Reports on Trade Talks With U.S. *[THE NATION 29 Jul]* 55

Vietnam

State President Issues Publishing Law 56
    Part I *[Hanoi Radio]* 56
    Part II *[Hanoi Radio]* 57

AUSTRALASIA

Australia

Asian Military Modernization 'Not' Alarming *[Melbourne International]* 60
Minister Presents Proposal on Nauru Settlement *[Melbourne International]* 60
Government Examines Claims Against Indonesian Troops *[Melbourne International]* 60
Annual Inflation Rate Remains Below 2 Percent *[Melbourne International]* 60
Immigration Drops by 36 Percent *[AFP]* 60

XII

Russian, Singaporean Foreign Ministers Meet

BK2807060693 Singapore THE STRAITS TIMES in English 25 Jul 93 p 23

[Text] Russia has proposed the setting up of a conflict-prevention centre to prevent crisis situations in the Asia-Pacific region.

Foreign Minister Andrey Kozyrev said yesterday that the centre would promote exchanges of military information among participating countries, hold consultations and co-operate in settling disputes.

Speaking to his ASEAN counterparts during his consultative meeting with them, he said Russia and ASEAN must take advantage of new opportunities to enhance security in the region.

He also proposed the formation of a regional strategic research centre in ASEAN.

Russian interests in the region had changed, he said.

"From now on, the main symbols of our presence here will be freighters instead of missile cruisers and joint ventures instead of nuclear submarines."

Russia had a vital stake in the region's stability, he added. "This goal calls for settling ingrained conflicts, averting new ones, making national defence capabilities strictly defensive and preventing the spread of mass destruction weapons in the region."

Mr Kozyrev said Russia wanted to play its part in strengthening the region's security by improving relations with the United States, China, India and South Korea.

At the same time, Russian military presence would maintain regional stability, he said, adding that its military posture in the Asia-Pacific would be made transparent and predictable.

By 1995 Russia would cut its troops in the Far East by half, he added.

On Russian arms sales, he said that his country was prepared to provide "sophisticated means of self-defence" to ASEAN states.

He suggested a Code of Arms Trade in the Asian and Pacific region to enshrine certain guidelines for Russia so that the arms sales would not aggravate existing conflicts or heighten tensions and cause instability.

Russian arms sales in the region did not include offensive weapons such as long-range bombers, he added.

He said the time had come for Russia and ASEAN to institutionalise relations between them.

In his remarks during the meeting, Singapore's Foreign Minister, Mr Wong Kan Seng, welcomed Russia's interest to be an active member of the Asia-Pacific region.

"We recognise that Russia has a legitimate interest and role to play in the Asia-Pacific region," he said. Mr Wong pointed out that Russia could make an important contribution to regional stability by taking part in regional security discussions.

He invited Russia to participate in the ASEAN Regional Forum to discuss political and security issues in Bangkok next year.

Mr Kozyrev attended the ASEAN Ministerial Meeting as a guest.

He will attend an informal dinner today with his counterparts from ASEAN, the seven dialogue countries, China, Vietnam, Laos and Papua New Guinea.

Kozyrev Views Muslim Participation in Bosnia

BK2807080393 Singapore THE STRAITS TIMES in English 26 Jul 93 p 22

[Text] Russian Foreign Minister Andrey Kozyrev said that Islamic countries which intended to send troops to war-torn Bosnia-Herzegovina should be willing to abide by the rules and procedures laid down by the United Nations for peacekeeping operations.

In remarks before bilateral discussions with United States Secretary of State Warren Christopher yesterday, he said it was important "to avoid any semblance of a religious crusade, be it a Muslim religious crusade or any other religious crusade".

"This means, by implication, that there is room for any country which is moderate and which sticks to UN peacekeeping concepts, to participate in peacekeeping operations rather than a jihad or a crusade," said Mr Kozyrev, who was invited here for informal discussions with his counterparts from Asean and other countries on political and security matters.

Mr Kozyrev was asked to comment on reports that Islamic nations, like Iran, were willing to send troops into Bosnia-Herzegovina.

He said he had already laid out his position in talks here earlier with Malaysian Foreign Minister Datuk Abdullah Ahmad Badawi.

Malaysia is one of seven Organisation of Islamic Conference countries which have pledged to send troops for operations in Bosnia-Herzegovina.

Mr Kozyrev did not give details of his discussions with Datuk Abdullah.

But he indicated that Russia welcomed "moderate, reasonable and Muslim countries", especially those "willing to stick to the UN concept of peacekeeping and peacemaking and whose forces are prepared to abide strictly by the mandate of the UN".

He said he understood that this was also the position of the U.S. and some other Security Council members.

Mr Christopher, welcoming Mr Kozyrev to his suite for discussions, told journalists that Bosnia-Herzegovina was almost always a feature of his discussions with the Russian Foreign Minister.

" 'We are both searching for solutions to that situation. We have been talking about it for several months and will continue to do so in the search for a solution," he said.

Mr Kozyrev added that it was also important for all sides in the conflict to stop fighting and demonstrate their determination to find a political solution.

New Zealand Proposes UN Peacekeeper Protection

BK2807080093 Kuala Lumpur Voice of Malaysia in English 0600 GMT 28 Jul 93

[Text] Malaysia supports New Zealand's proposal that UN peacekeepers receive adequate protection. Foreign Minister Datuk Abdullah Ahmad Badawi told newsmen in Singapore that New Zealand would present the proposal to the UN Security Council. He was informed of the proposal during his meeting with his New Zealand counterpart, Don McKinnon, in conjunction with the ASEAN Post Ministerial Conference with dialogue partners.

On Monday, a Malaysian platoon serving with the UN peacekeeping force in Somalia was under attack. But the soldiers succeeded in repelling the attackers.

ASEAN, Partners Differ on Approach to Burma

BK2807110693 Kuala Lumpur BERNAMA in English 0929 GMT 28 Jul 93

[By Azhar Ghazali]

[Text] Singapore, July 28 (OANA-BERNAMA)—ASEAN and its dialogue partners today projected contrasting views on approaches to restore democracy in Myanmar [Burma] but they were all for the betterment of the country.

While the United States, European Community (EC) and Australia stood by their decision to continue political and economic sanctions against Myanmar, ASEAN pointed out that Myanmar should not be shut out.

We don't believe in isolating them, said Singapore Foreign Minister Wong Kan Seng, who is chairman of the ASEAN standing committee, at a joint press conference at the close of the ASEAN Post Ministerial Conference (PMC) here.

By isolating them, he said, the international community would not be able to communicate with Myanmar and this would close the doors for talks.

If you can't talk to them, we can't tell them how much the world has changed and of reforms in the world, he added, noting the different approaches taken by various countries.

Wong said ASEAN believed that the world should share their concern and views with Myanmar and let them decide their future themselves.

The association of South East Asian Nations (ASEAN) groups Brunei, Indonesia, Malaysia, Thailand, the Philippines and Singapore.

The Myanmar issue appeared to be the focus of the western countries with western journalists raising repeated questions at today's packed press conference as well as throughout the three-day PMC.

Yesterday, Foreign Minister Abdullah Ahmad Badawi referred to the issue, saying that Bosnia-Herzegovina deserved far more attention where the situation was far more grave than in Myanmar.

EC representative Willy Claes said the community noted the ASEAN approach but he stressed that it saw no reason to change its policy of imposing sanctions.

We're going on with our sanctions, added Claes, who is the Belgium deputy prime minister and minister of foreign affairs.

US Assistant Secretary of State Winston Lord said American views were close to what was expressed by the EC.

He also pointed out that US actions against Myanmar were not [word indistinct] because its is the largest source of narcotics and refugees.

At Tuesday's PMC session, ASEAN told the conference that patience was necessary in handling the issue and that change would take time.

According to the PMC official statement, the meeting agreed that while there were different approaches towards Myanmar, the common goal was to encourage a peaceful change.

The meeting also noted that the stability of Myanmar was crucial to regional security and ASEAN would continue with its efforts to encourage reforms in Myanmar.

News Conference Closes ASEAN Meeting

BK2807142893 Singapore Singapore Broadcasting Corporation in English 1400 GMT 28 Jul 93

[Text] ASEAN and its dialogue partners don't want to (?force) the pace of the ASEAN Regional Forum to be launched in Bangkok next year. Foreign Minister Wong Kan Seng made this point at a joint news conference to wrap up the 26th ASEAN ministerial meeting and post-ministerial conference. He said there is no master plan, but ASEAN hopes for a start that the forum will contribute to a pattern of relationships that will help to preserve peace and growth in the region. Mr. Wong also did not rule out the possibility of South Asian countries being involved in the forum in the future.

On Myanmar [Burma], the European Community confirmed that it will go on with its economic and political sanctions. But the president of the council of EC ministers, Mr. Willy Claes, admitted that ASEAN's approach of political dialogue had made some progress. Similar remarks were made by officials representing the United States and Australia, both leading advocates of sanctions against Myanmar.

On the Asia Pacific Economic Conference, APEC, the U.S. wants it to eventually have more substance rather than remain a loose consultative forum. But the U.S. assistant secretary of state for East Asia, Winston Lord, said it is a matter for APEC members to reach a consensus.

Japan

Muto's NPT Remarks Made Without 'Permission'

OW2907051393 Tokyo KYODO in English 0505 GMT 29 Jul 93

[Text] Tokyo, July 29 KYODO—Prime Minister Kiichi Miyazawa said Thursday [29 July] he had no idea Foreign Minister Kabun Muto would indicate Japan's readiness to support an indefinite extension of the nuclear non-proliferation treaty (NPT) beyond 1995.

Muto told a joint new conference in Singapore on Wednesday that Japan "should continue to make efforts to move in the direction of an indefinite extension of the treaty." Muto's statement was quickly hailed by the United States, but Miyazawa indicated Thursday that the remarks were made without his permission.

Miyazawa told reporters he planned to question Muto about the remarks when Muto returns to Tokyo.

Japan, the only nation in the world to have had nuclear weapons used against it, stopped short during the Tokyo summit earlier this month of showing clear-cut support for indefinitely extending the treaty beyond its 1995 expiry. Analysts have suggested Japan's position is influenced by suspicions that North Korea may be developing an atomic bomb and possesses the missile technology to strike Japan with such a weapon.

Coupled with its shipment of plutonium from France last January, the lack of enthusiasm to support the NPT extension has aroused international suspicion about Japan's policy of not possessing, producing or allowing nuclear arms into its territory. At the ministerial meeting in Singapore of the Association of Southeast Asian Nations (ASEAN), Muto expressed concern the world might misunderstand Japan's position on the nuclear issue unless he expressed a "more forthcoming stance."

Akashi Expresses Thanks for New Aid to Cambodia

OW2707105693 Tokyo KYODO in English 0918 GMT 27 Jul 93

[Text] Tokyo, July 27 KYODO—Yasushi Akashi, head of the United Nations Transitional Authority in Cambodia (UNTAC), commended Japan Tuesday [27 July] for deciding to give a fresh emergency aid of 4 million dollars to Cambodia. Akashi told reporters after meeting with Prime Minister Kiichi Miyazawa he is grateful Japan took the lead in disbursing the aid because the "fund is essential for stabilizing the unstable situation of Cambodia's interim government."

Japanese Foreign Minister Kabun Muto unveiled the aid Monday at a meeting in Singapore of the six-member Association of Southeast Asian Nations and seven dialogue partners. The purpose of the aid is to pay the salaries of civil servants and police, Muto said.

Akashi said he also thanked Miyazawa for Japan's "great contribution" and "various diplomatic initiatives" in bringing a successful conclusion to the UNTAC-led peacekeeping operations in Cambodia. "The U.N. is satisfied that Japan supported the UNTAC until the end despite two casualties," Akashi said.

Akashi said he also discussed with Miyazawa U.N. activities in Cambodia after the UNTAC winds up most of its activities in September. The United Nations has not made any particular requests of Japan to send personnel to join a small U.N. presence, he said, but it has asked for Tokyo's continued financial cooperation.

The post-UNTAC organization will include about 10 human rights watchers and several experts to provide the new Cambodian Government with administrative and fiscal counseling.

Foreign Ministry officials said Akashi told Miyazawa that a resolution may be passed in the U.N. Security Council to extend the U.N. presence in Cambodia. He said the small-scale operation would focus on reconstruction, human rights and mine-clearing.

Akashi said dozens of military observers could be dispatched if Cambodia asks for help in safeguarding its territorial integrity and to facilitate confidence-building among factions. Those personnel could be posted in Cambodia for anywhere between one year and several years, he said.

The officials also quoted Akashi as saying that while UNTAC will basically conclude its operations by the end of September, it will take until mid-November for the last UNTAC official to leave.

They said he predicted that the process of forming a new constitution may be delayed until mid-September or even later, well past the August 28 target for forming a new government.

Akashi said about 50 percent of the document has yet to be worked out. He said there are differences of view over 5 percent of the draft and Cambodian leader Prince Norodom Sihanouk may intervene to reconcile opposing views.

Akashi was confident that the combined armies of the three factions that took part in the elections, even after being reduced from 150,000 to 50,000 soldiers, is sufficient to militarily contain the Khmer Rouge.

The officials said Miyazawa informed Akashi that Japan will provide an additional 200,000 dollars for U.N. efforts in Cambodia to raise the awareness of the importance of human rights.

Urges New Government To Contribute

OW2807084193 Tokyo KYODO in English 0759 GMT 28 Jul 93

[Text] Tokyo, July 28 KYODO—The head of the United Nations peacekeeping mission in Cambodia said

Wednesday [28 July] he has asked the leader of a rising new Japanese conservative party to take the initiative in international contributions.

Yasushi Akashi told reporters he made the request to Morihiro Hosokawa, head of the Japan New Party (JNP), who is tipped along with Shinseito leader Tsutomu Hata as a likely candidate for Japan's next prime minister in a coalition government to be formed soon.

Hosokawa briefed Akashi on ongoing talks over the formation of the coalition among seven opposition parties, telling the chief U.N. peacekeeper Japan has a golden opportunity to consider its global contributions because the parties are fine-tuning their basic policies.

Akashi told reporters after the talks he appreciates the JNP's posture of tackling the peacekeeping issue positively with an open mind.

Akashi, a Japanese national who heads the U.N. Transitional authority in Cambodia (UNTAC), talked with Prime Minister Kiichi Miyazawa on Tuesday and thanked him for extending fresh emergency aid of 4 million dollars to Cambodia. Japanese self-defense forces troops and police officers joined the UNTAC operations in Cambodia from last October in Japan's first sending of ground troops abroad in the postwar era.

Says WWII Issue Not 'Alibi'

OW2907092093 Tokyo KYODO in English 0911 GMT 29 Jul 93

[Text] Tokyo, July 29 KYODO—Yasushi Akashi, head of the U.N. peacekeeping operation now winding down in Cambodia, said Thursday [29 July] Japan must be more prepared than it is now to accept losses of lives in the cause of world peace.

Akashi also told reporters at the Foreign Correspondents' Club of Japan that Tokyo cannot cite its responsibilities stemming from World War II as an "alibi" for refraining from full-scale participation in United Nations peacekeeping efforts.

Referring to the ambush killing in Cambodia in May of Japanese civilian policeman Haruyuki Takata, Akashi said, "I hope that in the future Japan can withstand more incidents of that kind and still be unshakable in its cooperation." The incident, which followed the slaying of a Japanese youth volunteer in Cambodia, had prompted calls from some quarters here for the early recall of Japanese personnel participating in the U.N. Transitional Authority in Cambodia (UNTAC).

"I was distressed to see such painful debate after the death of Mr. Takata," Akashi said, adding that if one more Japanese died in Cambodia "there could have been serious crisis in the Japanese Government."

In an unprecedented postwar move, Japan last October sent 600 Self-Defense Forces engineers, as well as 75 civilian police, to Cambodia.

Akashi reflected that it has been in vogue in Tokyo to talk wistfully about Japan's "internationalization," including its more active participation in global affairs. "But I think Japanese should consider these contributions as their responsibilities, their duty, rather than something they are doing because of their idealism or generosity," he said.

In reality, he said, Japan remains "quite insular" in its approach to participation in U.N. peacekeeping, even though the time is "long over" when Japan could fulfill its international obligations through financial means.

"Unless Japan does these things, I don't think it will be respected by the world community," he said. "There's no free ride in international peace."

Akashi said that if Japan is to fulfill its growing international responsibilities, it is inevitable that it "should be more active in participating in peacekeeping operations, not just in UNTAC-type... but in other types of missions." But he acknowledged that when it comes to dispatching military forces outside their borders, countries like Japan and Germany have "special burdens" arising from their roles in World War II.

Nevertheless, he said, "While Germany and Japan should remember their sense of guilt for a long time to come... Their wartime experience should not be used as an alibi for standing aside from full-scale contribution to the cause of peace through the United Nations."

Akashi suggested it might be better for Japan to participate in peacekeeping in Europe, and Germany in Asia.

He said Japan should press forward with its foray into peacekeeping by carefully cultivating its domestic consensus, not dividing it. "It takes time," he added.

SRV Boat People Admitted for Refugee Screening

OW2807135893 Tokyo KYODO in English 1328 GMT 28 Jul 93

[Text] Kagoshima, July 28 KYODO—Immigration officials Wednesday [28 July] gave temporary permits to 91 Vietnamese boat people found in waters off Tokunoshima island, Kagoshima Prefecture, to screen them for refugee certification. They will be transferred Thursday to a refugee reception center in Omura, Nagasaki Prefecture, the officials said.

Maritime Safety Agency (MSA) patrol boats Sunday spotted two wooden ships with the Vietnamese aboard and escorted them Tuesday to Kagoshima where they were handed over to immigration officials. The officials Wednesday confirmed that the boat people, including 16 children, were Vietnamese.

The two wooden boats allegedly left separate Vietnamese ports on June 16 and July 3, respectively, and joined up in waters off Taiwan. The officials said all 91 expressed a wish to stay in Japan.

Ex-Im Bank Pledges Untied Loan to Indian Oil

OW2807083693 Tokyo KYODO in English 0714 GMT 28 Jul 93

[Text] Tokyo, July 28 KYODO—The Export-Import Bank of Japan said Wednesday [28 July] it has agreed to provide an untied loan of up to 22,525 million yen to India's Oil and Natural Gas Commission.

The government-financed bank said the loan, the first of its kind for the commission, will be used to finance a flare gas reduction project in India. The fund is part of a 450 million dollar loan to be provided for the project by the World Bank, the Japanese institution said.

The loan is in line with the government's program to recycle funds for developing countries, it said.

Fujitsu Plans Digital Phone Systems in India

OW2807015393 Tokyo KYODO in English 0129 GMT 28 Jul 93

[Text] Tokyo, July 28 KYODO—Computer giant Fujitsu Ltd. will develop software for digital telephone switching systems in India, a Fujitsu official said Wednesday [28 July].

Fujitsu will build a plant either in Chandigarh, Punjab, northern India, or in the Indian capital of New Delhi with an investment of 200 to 300 million yen, a company spokesman said. But details of the project are yet to be worked out, he added.

Employing 20 to 30 workers, the plant will initially develop the software for the Indian market.

Currently Fujitsu manufactures digital switching systems in Chandigarh in a joint venture operation established in April with a state-run company in Punjab, but software for such systems is imported from Japan, Hong Kong and Singapore. The company has decided to also make software there since India has a large pool of competent software engineers, the official said.

No Major Change Said Expected in Defense Policy

OW2907103793 Tokyo KYODO in English 1017 GMT 29 Jul 93

[Text] Tokyo, July 29 KYODO—Japan's Vice Minister of Defense said Thursday [29 July] there will be no essential changes in the country's security policies after seven opposition parties form a coalition government without the Liberal Democratic Party (LDP).

Shigeru Hatakeyama, vice minister of the Defense Agency, told reporters that Japan's security policies will not change because the seven parties have vowed that their coalition cabinet will follow the defense policies of the LDP government.

The Social Democratic Party, the biggest of the seven parties, earlier argued that the existence of the county's self-defense forces (SDF) violates Japan's postwar Constitution, which prohibits the use of force to settle international disputes. But the party recently made an about-face on its stance on the issue, saying it is ready to endorse the SDF on condition that the total number of forces are cut down to the minimum level needed to defend the country.

Six other parties basically support the SDF and the security arrangement with the United States.

The seven parties agreed Thursday on the nation's basic policies including defense toward forming a coalition administration next month, ending the LDP's 38-year dominance in Japanese politics. The parties are the SDP [Social Democratic Party of Japan, SDPJ], Komeito [Clean Government Party], the LDP breakaway Shinseito (Japan Renewal Party), the Japan New Party (JNP), the Democratic Socialist Party (DSP), another LDP breakaway Sakigake (Harbinger), and the United Social Democratic Party (USDP).

The parties also agreed to endorse JNP head Morihiro Hosokawa as a candidate to serve as the next prime minister.

Political Scene 'May Be Good' for War Victims

OW2907141093 Tokyo KYODO in English 1324 GMT 29 Jul 93

[Text] Tokyo, July 29 KYODO—The new political climate emerging in Japan may be good news for Asian victims of the country's World War II aggression still clamoring for justice half a century later.

The seven-party coalition that is poised to replace the conservative Liberal Democratic Party (LDP) government, ending its 38-year rule, released a statement Thursday [29 July] saying their coalition government would "show its readiness to cooperate in promoting peace and development in Asia and the world with repentance for involvement in World War II."

The leader of the LDP breakaway Shinseito (Japan Renewal Party), Tsutomu Hata, tipped to be deputy prime minister if the coalition gains power, said earlier this month that repentance of Japan's war atrocities should be the starting point for its "new politics and diplomacy."

Claims for compensation and apologies from the Japanese Government have escalated in Asia in recent years, reflecting the desire of aging victims to be given long-overdue justice before they die.

The death in 1989 of Emperor Hirohito, in whose name the Japanese Imperial Army swept through Asia, eased the unspoken taboo in Japan on probing the military's wartime behavior. A shift to postwar generation leaders and Japan's ambition to play a larger international role, have also prompted Tokyo to take a more responsive attitude.

But as the half century anniversary of Japan's defeat in World War II approaches in 1995, Tokyo officialdom and proponents of compensation for victims continue to clash on the scale and severity of atrocities, and how to make amends.

Compensation demands by individual victims, mainly former colonial subjects from South Korea and Taiwan, are snarled up in the courts, while the government maintains it has fulfilled its responsibilities by providing government-level reparations.

Taiwan and North Korea are the only two governments that have no reparation agreement with Tokyo.

Following are some of the main unresolved wartime issues:

("Comfort Women")

In December 1991 three elderly South Korean women, breaking half a century of silence, filed suit against the Japanese Government saying they were forced to have sex with Japanese soldiers in frontline brothels. Since then, other Korean and Filipino women have also taken legal action.

The Japanese Government is expected soon to formally acknowledge that some women were recruited against their will. It is also considering establishing some sort of fund for survivors.

An estimated 70,000-200,000 women, mostly Koreans, but also Chinese, Taiwanese, Filipinos, Indonesians and Dutch, were forced to serve as "comfort women."

(Forced Laborers)

In 1990 a group of South Koreans sued the Japanese Government for being forced to perform hard labor in Japanese mines and factories. Over 1,000 more have since filed similar suits, and others are suing or petitioning private companies for unpaid back wages. No compensation has been paid yet.

The government, responding to requests from Seoul, in 1990 conducted a search of wartime documents and handed over the names of 79,578 Korean laborers.

Japan's wartime Home Ministry estimated that nearly 670,000 Koreans were forcibly brought to Japan. Some other estimates range from 1 million to 5 million. An unknown number of Chinese were also brought to Japan during the war.

(Forced Military Conscripts)

In 1977 Taiwanese military draftees filed suit for 70 million yen in damages and compensation for soldiers who died or were injured while fighting for the Japanese in World War II.

In 1992 the Supreme Court rejected the suit on the basis that the government is not obliged to pay veterans who are not Japanese nationals. However, in 1988 the Diet passed a law providing 2 million yen to each Taiwanese veteran injured in the war, or their relatives. The sum is less than that provided for Japanese veterans.

In 1991 the first group of former South Koreans drafted into military service sued the Japanese Government seeking compensation for forced labor, nonpayment, and death and injury, as well as a formal apology. Others are suing to receive pensions.

Japanese authorities estimate some 140,000 Koreans were drafted for military service. An estimated 30,000 Taiwanese died in the war.

(A-Bomb Victims)

An estimated 43,000 Koreans and an unknown number of Chinese survived the atomic bombings of Hiroshima and Nagasaki. In 1990 Japan agreed to pay 4 billion yen for medical treatment of survivors in South Korea.

Foreigners who can demonstrate they were exposed to radiation in the bombings are eligible for the same medical benefits as Japanese nationals.

(Lost Investments and Savings)

Some 2,500 Hong Kong families are seeking compensation for 516.8 million yen worth of now valueless Japanese military coupons which they were forced to acquire in exchange for Hong Kong dollars. The group is considering launching legal action. Tens of thousands of Koreans and Taiwanese lost billions of dollars worth of compulsorily purchased bonds and postal savings.

In 1989 a group of 4,000 Taiwanese who were affiliated with the Japanese Imperial Army established a group to press for unpaid wages and the return of their military savings. The Posts and Telecommunications Ministry says it has 250 million yen in 60,000 accounts opened by Taiwanese, and Prime Minister Kiichi Miyazawa said last month the Taiwanese should be given back their money.

(Facing History)

Leaders and citizens in South Korea, China and other Asian countries have long urged Japan to better educate its youth about wartime atrocities. This year, the "comfort women" issue is being included in all high school textbooks for the first time, but the facts in this and many other instances remain obscured or disputed.

The Nanjing massacre. The International Military Tribunal for the Far East held after World War II estimated 200,000 people were slaughtered after the Japanese Imperial Army entered Nanjing on December 13, 1937. China estimates 300,000 people were killed.

LDP lawmaker Shintaro Ishihara in a published interview maintained that China made up the story. In Japanese school textbooks the Nanjing massacre is given cursory treatment at best. In 1991 a group of Chinese citizens demanded 180 billion dollars in compensation for deaths and injuries inflicted on some 10 million civilians, including victims of the Nanjing massacre.

Unit 731 and germ warfare. The U.S. military made a deal to protect members of secret germ warfare Unit 731 from prosecution at war crimes trials in exchange for the results of experimentation. An estimated 3,000 Russians, Chinese, Koreans and Mongolians perished in the human experiments, which included opening up organs of living victims. Documents unearthed this year by private Japanese researchers in China show some 400 Chinese civilians were killed by germ warfare. Documents also show that Japan used poisonous gas in violation of international law. The government has never conducted a formal investigation of Unit 731 or publicly apologized.

Candidates Watanabe, Kono Speak at LDP Meeting

OW2907104293

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0400 GMT on 29 July carries live coverage of speeches by former Foreign Minister Michio Watanabe and Chief Cabinet Secretary Yohei Kono at LDP Headquarters in Tokyo. Both announce their candidacy for the presidential election of the ruling Liberal Democratic Party (LDP).

At 0404 GMT Watanabe begins a speech outlining the LDP's accomplishments. Watanabe says: "I will do everything I can to reconstruct the LDP." He regrets the breakaway of some fellow lawmakers from the LDP, but stresses that the LDP still remains a majority party in Japan. Watanabe states: "The LDP now holds three times as many seats in the Diet as those of the main opposition Social Democratic Party of Japan [SDPJ]; this is an expression of the people's high expectations of the LDP." He adds that the LDP should fulfill the people's expectations.

Describing what he plans to do if elected LDP president, Watanabe says: "I will deliver political reform." He adds that the implementation of political reform is a demand from the people and from heaven. Stressing the importance of reforming the current electoral system, Watanabe vows to push for reform of the current electoral system, saying: "I intend to have an electoral reform bill passed at a Diet session to be called this fall." This statement is greeted by applause. Watanabe then stresses the need to prevent a recurrence of political corruption, spelling out specific measures to that end.

After speaking about measures to reform the Diet and the LDP, Watanabe notes the importance of economic stimulus measures and relates specific measures to that end.

Touching on foreign policy and defense, Watanabe states: "Various changes are taking place every day, and we need to correctly deal with those changes." Regarding the Uruguay Round, Watanabe says: "The round should be concluded this year. Newly formed political parties are also saying the round should be concluded this year. If elected, I will work together with those political parties to conclude the round this year."

After describing his plans to reform the administration and the current welfare system, Watanabe notes: "Newly formed political parties share our policies. I believe that in principle, the LDP will forge an alliance with those political parties which share the LDP's policies." He also intends to call on the newly formed political parties to join the LDP.

At 0420 GMT Watanabe concludes his speech amid applause.

After Parliamentary Vice Foreign Minister Koji Kakizawa delivers a brief speech recommending Watanabe as LDP president, Kono begins speaking at 0431 GMT.

In his speech, Kono says: "The LDP is in crisis, and the LDP's crisis means the crisis of Japanese politics and Japan." He adds he will do everything he can to reconstruct the LDP.

Explaining how he came to decide to run in the LDP presidential election, Kono calls the generational change a world trend, citing as examples President Clinton and British Prime Minister Major who both attended the Tokyo summit. He states: "Young leaders are tasked with playing a leading role in building a new world order following the end of the cold war."

Kono adds that what is being asked of politics is an unwavering resolve to fight for change and to defend freedom and democracy. Discussing the international situation, Kono says: "Japan should assume a role and responsibility compatible with its national strength." Pointing out that Japan's relations with other nations are not in good shape, Kono states: "Japan is in danger of falling into an abyss if it makes a wrong step."

Turning to domestic matters, Kono says: "Japan has not yet emerged from its serious recession." He stresses the need to think about other economic stimulus measures. Referring to political reform, Kono says several emergency policy tasks have been left unaccomplished, and stresses the need to push for political reform. Referring to the LDP, Kono says: "Some of our fellow comrades have broken away from the LDP; we must seriously think of reforming the LDP." Kono adds that the LDP must humbly accept the results of the latest general elections.

At 0444 GMT, Kono concludes his speech after appealing to the participants to render support to him.

Vow Reconstruction of Party

OW2907072493 Tokyo KYODO in English 0717 GMT 29 Jul 93

[Text] Tokyo, July 29 KYODO—The two candidates for the presidency of the Liberal Democratic Party (LDP) appealed Thursday [29 July] for party colleagues' votes in Friday's poll, vowing to reconstruct the party facing the loss of its 38-year-old hold on power.

Former Foreign Minister Michio Watanabe and Chief Cabinet Secretary Yohei Kono issued the appeals at the LDP's headquarters in front of LDP members of both chambers of the Diet and delegates from the party's local chapters across Japan. In the nationally televised speeches, both candidates vowed to take measures to revive public trust in the scandal-tainted LDP.

The voting by 324 LDP Diet members and 47 regional delegates to choose successor to outgoing Prime Minister Kiichi Miyazawa will be held Friday.

Miyazawa announced his resignation as party president July 22 after the party failed to gain a majority in the July 18 general election for the House of Representatives.

The winner of the LDP race will run for the post of prime minister against the candidate of a loose coalition of seven parties which are expected to announce their choice Thursday.

In a 15-minute speech Watanabe, 70, told the audience, "The public is angry over our party's money-power politics and resultant recurring scandals. We must reflect upon it and apologize to the public and take measures to reconstruct our party."

The former deputy prime minister proposed a few concrete legislative steps to "stamp out corruption in our party."

"Some Diet members have received huge cash rewards by illicitly pressuring bureaucrats to award public works projects in response to requests from general contractors," he said.

Watanabe called for the party to legislate "appropriate punitive measures" to penalize Diet members, "who try to defend the acceptance of such money as mere receipt of political donations."

Kono also underscored the urgent need to restore public confidence in the LDP, which has been rocked by a slew of mobster and bribery scandals involving party elders.

"The crisis faced by the Liberal Democratic Party also poses a crisis for Japan," he declared. He pledged to "save this country by reconstructing our party."

Kono, 56, stressed in his speech his political principles and ideals on political reform, rather than detailing concrete steps to clean up the party's money-oiled politics.

He said the Japanese political community needs to undergo a generational change and hand over power to younger politicians like him, just as the United States and Britain turned over their leadership to President Bill Clinton and Prime Minister John Major. "Generational changes in the leadership of countries is the trend of our age," he said.

The winner of the vote on Friday will hold the LDP presidency to complete Miyazawa's term until the end of September. Party sources said the term is then likely to be extended for two years.

Opposition Alliance Picks Hosokawa as Candidate

OW2907091493 Tokyo KYODO in English 0853 GMT 29 Jul 93

[Text] Tokyo, July 29 KYODO—A seven-party opposition alliance on Thursday [29 July] nominated Japan New Party (JNP) leader Morihiro Hosokawa as candidate for prime minister.

Hosokawa, 55, a former Kumamoto governor, was picked at a meeting of leaders of the Social Democratic Party, Shinseito [Japan Renewal Party], Komeito, JNP, Democratic Socialist Party, Sakigake [Harbinger], and United Social Democratic Party. Their coalition government will formally end the 38-year monopoly on power by the Liberal Democratic Party (LDP).

As the strength of the seven-party alliance in the powerful House of Representatives overwhelms that of the LDP, it is certain that Hosokawa will be named prime minister at a special Diet session to be convened in early August.

It will be the first time a prime minister is elected from a non-LDP member since the LDP was founded in 1955.

Hosokawa is the descendant of a feudal lord in Kumamoto and grandson of Fumimaro Konoe, a prewar prime minister. He joined the ASAHI SHIMBUN as a reporter in 1963 after graduating from Sophia University. He was elected to the House of Councillors in 1971 from the LDP and served two terms.

He was elected governor of Kumamoto in 1983 and retired after serving two terms.

He formed the JNP in May last year and was again elected to the upper house from proportional representation in 1992. He successfully ran for the general election from the No. 1 constituency in Kumamoto Prefecture and his party won 35 seats.

SDP Chairman Sadao Yamahana announced the decision at a nationally televised news conference. He said the decision was approved unanimously at the summit meeting.

He said he hopes the lower house speaker will be chosen from the SDP but declined to name the candidate. Previously, the speaker came from the LDP.

LDP Calls Nomination of Hosokawa 'Collusion'

OW2907140093 Tokyo KYODO in English 1343 GMT 29 Jul 93

[Text] Tokyo, July 29 KYODO—The Liberal Democratic Party (LDP) on Thursday [29 July] criticized the seven-party coalition's decision to nominate Japan New Party leader Morihiro Hosokawa for prime minister, calling it an example of "collusion" without firm policy consensus.

LDP Policy Affairs Research Council Chairman Hiroshi Mitsuzuka said endorsement of the JNP head as a prime ministerial candidate will lead people to worry about the coalition being formed by parties with different policies.

Mitsuzuka, head of the LDP's largest faction, also said it is the coalition's minimum responsibility to thoroughly agree on policies before the mandatory Diet session to elect the new prime minister next month.

The nomination of Hosokawa effectively dislodges the LDP's 38-year rule since its establishment in 1955.

The seven parties hold 245 seats in the powerful House of Representatives, while the LDP retained 225 after the July 18 general election.

One senior LDP member lashed out at the selection of Hosokawa, saying he closely watched the selection process and determined that the result was reached through collusion. "If such methods were acceptable, the LDP and its archenemy the Japanese Communist Party (JCP) would even be able to merge."

A senior member of the LDP's No. 2 faction led by Prime Minister Kiichi Miyazawa said that the LDP breakaway party Shinseito (Japan Renewal Party) would eventually control the coalition government even if Hosokawa leads the cabinet.

Among the seven parties, the Social Democratic Party (SDP) is the leading force in terms of House of Representatives members. Shinseito is the second largest party, and the JNP ranks fourth.

The other parties are Buddhist-backed Komeito, the Democratic Socialist Party, another LDP bolter party Sakigake (Harbinger), and the United Social Democratic Party (USDP).

Miyazawa spoke only briefly with reporters about Hosokawa's nomination, saying, "The LDP will elect a prominent candidate for prime minister tomorrow."

On Wednesday, Chief Cabinet Secretary Yohei Kono and former Foreign Minister Michio Watanabe filed their candidacies for the LDP presidency.

The LDP's all the 324 Diet members and representatives of its 47 prefectural chapters are slated to vote Friday to fill the post, which had been an automatic selection as prime minister prior to last month's dissolution of the lower chamber.

The special Diet session is expected to be called on August 5 and will pick a replacement for Miyazawa as prime minister.

Hata 'Expected' To Serve as Vice Premier

OW2907113893 Tokyo KYODO in English 1122 GMT 29 Jul 93

[Text] Tokyo, July 29 KYODO—Shinseito leader Tsutomu Hata is expected to serve as deputy prime minister and finance minister in a new coalition government to be formed by seven opposition parties, political sources said Thursday [29 July].

Following the nomination of Japan New Party (JNP) leader Morihiro Hosokawa as the coalition's prime ministerial candidate, the seven parties are continuing last-minute efforts to pick possible cabinet ministers.

Hata, a former finance minister in the Liberal Democratic Party's cabinet of Prime Minister Kiichi Miyazawa, bolted the LDP last month, being dissatisfied with the LDP leadership's handling of political reform bills focusing on changes in the election system and tighter controls on political funding. Hata and his ally Ichiro Ozawa later formed Shinseito (Japan Renewal Party).

Masayoshi Takemura, head of another LDP breakaway Sakigake (Harbinger), who joined the opposition league together with Hosokawa, is likely to serve as the home affairs minister, a post in charge of political reform.

The sources said all the opposition leaders but Social Democratic Party (SDP) chairman Sadao Yamahana are expected to grab new cabinet posts. Yamahana is likely to resign to take the blame for his party's historical setback in the July 18 general elections for the House of Representatives.

Instead of Yamahana, the SDP is expected to name either Takako Doi or Makoto Tanabe as speaker of the House of Representatives. Both Doi and Tanabe once headed the SDP, which has long been the country's No. 1 opposition party.

The basic policy for filling the cabinet posts is aimed at reinforcing the cabinet by providing senior members from each of the seven parties as well as young or new to politics, the sources said.

Shinseito member Hiroshi Kumagai is considered the dominant potential candidate for chief cabinet secretary, a post serving as the prime minister's chief of staff and chief spokesman, the sources said.

JNP member Yuriko Koike, a journalist-turned politician, is tipped to join the new coalition cabinet.

Opposition Candidate Morihiro Hosokawa Profiled

OW2907101393 Tokyo KYODO in English 1002 GMT 29 Jul 93

[Text] Tokyo, July 29 KYODO—Morihiro Hosokawa, the leader of the fast-rising Japan New Party (JNP), aims to follow in the footsteps of his grandfather, who was prime minister twice between the late 1930s and early 1940s.

Descendant of a distinguished samurai family from southwest Japan and a grandson of Prince Fumimaro Konoe, who was prime minister in 1937-1939 and again in 1940-1941, Hosokawa won support from seven opposition parties to run for the premiership against a Liberal Democratic Party [LDP] candidate.

The 55-year-old Hosokawa had repeatedly said he would not seek to become a candidate himself or join a non-LDP coalition government as a cabinet minister. But as a result of negotiations among the seven parties, Hosokawa, a strong advocate of political reform, won the candidacy over Tsutomu Hata, Shinseito (Japan Renewal Party) leader and former finance minister, who was considered a favorite for the post along with Hosokawa.

A former House of Councillors member, Hosokawa belonged to an LDP faction led by former Prime Minister Kakuei Tanaka, one of the major practitioners of the "money politics" he now attacks.

He is likely to compete for the prime ministership with the LDP's former Finance Minister Michio Watanabe or Chief Cabinet Secretary Yohei Kono. The latter had once asked Hosokawa to join him in creating the new liberal club in 1976 when Tanaka was arrested during the Lockheed bribery scandal, but Hosokawa declined to go along with Kono.

A former governor of Kumamoto Prefecture, Hosokawa launched the JNP in May 1992 from what he later called his "historical intuition and inspiration" as Japan was undergoing another series of scandals involving politicians. He said the Japanese people are irritated with the political community's unwillingness to clear up corruption and that a new force should be created to carry out political reform.

Two months after Hosokawa formed the JNP, it won four seats in the House of Councillors, including his own.

In June this year, the JNP scored surprising gains in an election for the Tokyo Metropolitan Assembly, regarded as an acid test for the general election for the House of Representatives a month later. Twenty of the party's 22 candidates won seats in the Tokyo Assembly.

The JNP proved that the good showing in Tokyo was no fluke by winning 35 seats in the lower house on July 18. It formed an alliance with another newly formed conservative party, Sakigake (Harbinger), and thereby came to hold the key card in nominating the seven-party coalition's candidate for prime minister.

Political analysts say Hosokawa's ability to lead is still unclear. Some say his noble family background could be a weakness and that his policies and opinions are often blurred.

In a recent television program, a critic echoed views voiced by some respondents in a street interview who said they prefer Hata to Hosokawa as prime minister because Hosokawa is often vague when stating his views.

Others say Hosokawa does what he says he will.

During his eight-year tenure as Kumamoto governor, Hosokawa vigorously called for deregulation and decentralization and hammered out various policies and events for the benefit of local activities in the prefecture.

A soft-spoken politician, Hosokawa has made some controversial remarks in the past. In the summer of 1987 when he was Kumamoto governor, frustrated by powerful bureaucratic control by the central government, he said that the serious water shortage in Tokyo at the time "serves Tokyo right."

He said water supplies in Nagata-cho and Kasumigaseki, areas where government offices are concentrated, should be cut off so that people could not take a bath for 100 days.

"Unless such things happen, government officials will not seriously tackle problems and centralization in Tokyo will not be redressed," he said.

He has also called for ending Japan's ban on rice imports.

Born in January 1938 in Tokyo, Hosokawa graduated from Sophia University in Tokyo in 1963 and joined one of Japan's largest national dailies, the ASAHI SHIMBUN. During his five years as a journalist, he covered social problems such as campus disputes, security matters and pollution.

At 33, he was elected to the House of Councillors in 1971, the youngest ever member, and was reelected in 1977.

In 1983, he was elected Kumamoto governor and served two four-year terms until 1991. He flatly refused to run for a third term, saying people become corrupt if they stay in power for too long.

He then became the head of the quality of life improvement committee of the ad-hoc committee for the promotion of administrative reform. His continuing frustration at corruption within Japan's industrial world and among bureaucrats led him to form the JNP.

Basic Agreement, Policies of Coalition Adopted

OW2907105793 Tokyo KYODO in English 1049 GMT 29 Jul 93

[Text] Tokyo, July 29 KYODO—Following are the basic agreement and policies adopted Thursday [29 July] by seven opposition parties for forming a coalition government.

(Basic Agreement) The coalition government will:

—Pass sweeping political reform introducing single-seat electoral system, strengthening punishment on corruption, and abolishing political donations by business concerns through the Diet by the end of the year.

—Make public Japan's wishes to play a key role in securing peace and disarmament in the world by preserving Japan's existing basic policies on diplomacy and defense.

—Base economic policies on market-oriented forces and keep coordination with foreign countries, take responsibility for securing strict safety controls on food and energy.

—Show its readiness to cooperate in promoting peace and development in Asia and the world with repentance for involvement in World War II.

—Make an effort to create a vigorous, welfare-minded and cultural society and discuss sincerely new important tasks for:

1) overcoming the prolonged economic slump
2) establishment of a people-oriented fiscal 1994 budget and revision of the stiff budget distribution system
3) relaxation of regulations and reform the administrative and finance system
4) promoting decentralization of government functions.
5) reforming the tax system
6) solving international economic friction
7) setting up medical, welfare and pension measures to cope with aged societies
8) promoting agricultural, fishery, as well as small and medium-sized industries
9) cooperating in preserving global environment
10) contributing to U.N. led-peacekeeping efforts
11) reforming educational system by putting emphasis on personalities and independence.
12) promoting measures to counter city worker issues such as housing, commuting and long working hours.

(Basic Policies)

The coalition government will:

1) play a key role in securing world peace and disarmament by preserving Japan's existing basic policies on diplomacy and defense,
2) maintain the Japan-U.S. Security Treaty and thereby contribute to peace and stability in Asia,
3) secure safety in nuclear power generation and continue developing new energy sources,
4) observe the Japan-(South) Korea Basic Treaty and cooperate for peaceful reunification of the Korean peninsula.

(Key Policy Themes To Be Discussed at the Moment)

Parties in the coalition government will:

1) continue discussions on enforcing pump-priming measures such as expansion of domestic demand,
2) put more emphasis on people's lives in establishing the fiscal 1994 budget by revising the stiff budget distributing system,
3) cope positively with administrative and financial reform, promote relaxation of regulations, and revise government subsidies,
4) decentralize government functions by introducing new laws to promote sound, democratic politics based on local autonomy,
5) conduct overall reform of the tax system, continuing discussion of an income tax break,
6) cooperate with foreign nations to solve international trade imbalances based on market-orientated economic rules,
7) deal with the advancing age of society by stabilizing the pension system as well as enriching the medical and insurance systems,
8) aim at concluding the Uruguay Round of trade talks but oppose liberalization of rice imports, reconstruct the agricultural, forestry and fisheries industries by preserving the environment, national land and the local community, and promote small and medium- sized industries,
9) cope positively with preservation of global environment through cooperation in human, technology and funds fields,
10) cooperate in U.N.-led international peacekeeping operations and tackle U.N. reform,
11) promote new education to bring up individualistic and independent persons, promoting culture and the arts,
12) tackle issues surrounding city workers by decreasing annual working hours, securing houses and solving rush-hour overcrowding in the mass-transit system, and establish a system for helping people raise children and care for the elderly.

Major Political Parties Profiled

OW2907112993 Tokyo KYODO in English 1057 GMT 29 Jul 93

[Text] Tokyo, July 29 KYODO—The following is a profile of Japan's main political parties.

—The Liberal Democratic Party (LDP)—

The party was formed November 11, 1955, with the merger of two conservative parties—the Democratic Party and the Liberal Party. It has ruled without interruption since then. Under LDP rule, Japan rose from the devastation of World War II to become a major economic superpower. Despite political stability, the party has suffered badly from repeated corruption scandals. The LDP is a coalition of five factions. Its main backers are big business. The LDP has 225 seats in the House of Representatives and 99 in the House of Councillors.

—The Social Democratic Party (SDP)—

The party was founded in November 1945, took power for eight months from 1947 to 1948 and then collapsed. The left- and right-wing reunited October 30, 1955. The party scrapped its Marxist platform in 1986. Its basic policy aims for nonaligned, neutral, unarmed Japan. The SDP's platform differs from other noncommunist parties in areas such as defense and nuclear energy. But the party offered to compromise its principles in a bid to join a post-LDP coalition government. The party voted against a bill in June 1992 that allows overseas dispatch of Self-Defense Forces (SDF) personnel to join the U.N. peacekeeping operations. The SDP calls the current status of the SDF unconstitutional. The party also opposes the construction of nuclear reactors in Japan. The party is backed by trade unions, and many of its Diet members are from trade unions. The SDP, the biggest loser in the July 18 general election, has 70 seats in the lower house and 73 in the upper house.

—Shinseito (Japan Renewal Party)—

Shinseito was inaugurated June 23 by LDP defectors led by former Finance Minister Tsutomu Hata and his ally, former LDP Secretary General Ichiro Ozawa. The defectors belonged to the LDP's largest faction founded by former Prime Minister Noboru Takeshita. The party policy is in line with the LDP. The members bolted from the LDP over unhappiness about its failure to achieve political reform. Shinseito has 55 seats in the lower house and eight in the upper house.

—Komeito—

Komeito was set up in November 17, 1964, with the backing of the Soka Gakkai, Japan's largest religious group with 7.5 million members. The centrist party voted for the U.N. Peacekeeping Cooperation Bill. Komeito is closely associated with Shinseito. Komeito has 52 seats in the lower house and 24 in the upper house.

—The Japan New Party (JNP)—

The JNP was set up by former Kumamoto Gov. Morihiro Hosokawa in May 1992. The party formed by conservative reformists is said to be the only party taking a flexible stance on opening Japan's rice market to imports. In what may herald a merger in future, the JNP and Sakigake have agreed to form a joint parliamentary group. The JNP has 36 seats in the lower house and four in the upper house.

—The Democratic Socialist Party (DSP)—

The DSP was launched January 24, 1960, by right-wing secessionists from the SDP. The centrist party voted for the U.N. Peacekeeping Operation Bill, along with the LDP and Komeito. The party is backed by trade unions. The DSP has 15 seats in the lower house and 11 in the upper house.

—Sakigake (Harbinger)—

Sakigake was formed on June 21 by LDP defectors led by Masayoshi Takemura. Reform-minded former LDP members belonged to different LDP factions. Sakigake has 13 seats in the lower house and none in the upper house. Sakigake was formed on June 21 by LDP defectors led by Masayoshi Takemura. Reform-minded former LDP members belonged to different LDP factions. Sakigake has 13 seats in the lower house and none in the upper house.

—The United Social Democratic Party [USDP]—

The party was formed on March 26, 1978 by defectors from the SDP. The USDP objected to the peacekeeping bill. The party has four seats in the lower house and none in the upper house.

—The Japanese Communist Party (JCP)—

The JCP was established on July 15, 1922. The party has refused to join a coalition and unlike other parties the JCP wants the current multiseat electoral system for the House of Representatives preserved. The JCP has 15 seats in the lower house and 11 in the upper house.

—The Democratic Reform Coalition Party—

The parliamentary group in the upper house was formed as Rengo Sangiin after the 1989 House of Councillors election by winners backed by the Japanese Trade Union Confederation (Rengo). The group has no seat in the lower house and 10 in the upper house.

Ibaraki Governor Accused of Receiving More Money

OW2707113093 Tokyo KYODO in English 0921 GMT 27 Jul 93

[Text] Tokyo, July 27 KYODO—Ibaraki Gov. Fujio Takeuchi, under arrest on suspicion of taking bribes from Hazama Corp., is facing new allegations that he received nearly 100 million yen in bribes from four other major construction companies, sources said Tuesday [27 July]. According to the sources familiar with the Takeuchi case, the governor received the money from Kajima Corp., Shimizu Corp., Tobishima Corp. and Taisei Corp. over a period of several years.

The new allegations followed the arrest of Takeuchi who prosecutors said had received 10 million yen from Hazama in 1990 to use his influence in awarding the construction firm a project to build a prefectural government office.

The prosecutors suspect former Hazama Chairman Shigeru Honda and other company executives gave

Takeuchi the funds in February 1990 and another 30 million yen in February 1992 in order to win orders for the 70 billion yen project, sources close to the prosecution said.

Takeuchi, a former Construction Ministry bureaucrat, had close contacts with top officials of many construction companies, they said.

Mori Urges Emphasis on Economy Despite 'Turmoil'

OW2707044493 Tokyo KYODO in English 0344 GMT 27 Jul 93

[Text] Tokyo, July 27 KYODO—Serious consideration should be given to Japan's stalling economy despite the continuing political turmoil, International Trade and Industry Minister Yoshiro Mori said Tuesday [27 July].

"The time for careful judgment (on the economy) has already passed. Now we should think seriously about action," Mori said at a press conference after a cabinet meeting. While avoiding specific comments on additional pump-priming measures, Mori said prompt coordination of budgetary requests for fiscal 1994 may help boost confidence in the private sector.

Due to political turmoil in the wake of the general election on July 18, budget preparation for the next fiscal year, beginning next April, remains behind schedule, he said. Mori reiterated the importance of fully implementing the latest 13.2 trillion yen stimulus packaged announced in April, saying the effects of the package have yet to be confirmed.

Expressing concern over the prolonged economic slump, fueled by the yen's appreciation, Mori said the situation permits no political vacuum.

Non-LDP Coalition Supports More 'Pump-Priming'

OW2807084593 Tokyo KYODO in English 0823 GMT 28 Jul 93

[Text] Tokyo, July 28 KYODO—A seven-party alliance against the ruling party agreed Wednesday [28 July] on the necessity of adopting additional pump-priming measures, political sources said. They said the agreement was reached at a meeting of policymakers of seven opposition parties, including the Social Democratic Party (SDP) and three conservative swing groups, the Japan New Party (JNP), Sakigake (Harbinger) and the Shinseito (Japan Renewal Party).

The JNP and Sakigake decided earlier Wednesday to join the coalition against the Liberal Democratic Party (LDP), which has been in power since its founding in 1955. The LDP failed to secure its majority in the powerful House of Representatives in a general election held July 18.

The seven-party alliance also agreed not to issue national bonds to carry out income tax cuts, the sources said.

The coalition also decided that after it comes to power it will pursue the national defense policy laid down by the LDP, they said.

Firms' Incomes Reflect 'Protracted Slump'

OW2707113193 Tokyo KYODO in English 0947 GMT 27 Jul 9

[Text] Tokyo, July 27 KYODO—Reflecting a protracted slump in the Japanese economy, declared incomes of corporations that closed their books in February fell markedly, a survey by a major credit research agency showed Tuesday [27 July].

Teikoku Databank said the number of companies that chalked up an income of 40 million yen or more came to 5,107, down 23.1 percent from the year before.

Their combined income amounted to 1,461.03 billion yen, down 18.4 percent from that secured at the end of February 1992, the credit research agency said.

Among 52 industries surveyed, 42 sectors saw a fall in the number of companies which reported a minimum income of 40 million yen. The combined income of firms in the 42 sectors also dropped.

Particularly hard hit by the current economic slowdown were department stores and supermarket chain operators, which suffered a 17.1 percent drop in the number of firms meeting the threshold of 50 million yen income, due to sluggish consumer spending.

The combined income by department stores and supermarket chains plunged 39.0 percent.

Ito-Yokado Co., a supermarket chain operator, reported income of 90,153 million yen, topping the list of the 5,107 firms for the sixth consecutive year. Ito-Yokado was followed by Seven-Eleven Japan Co., a convenience store chain operator, Nichii Co., a supermarket chain, and Jusco Co., also a supermarket chain operator.

Poll: Local Firms Prefer Domestic Semiconductors

OW2707105393 Tokyo KYODO in English 1011 GMT 27 Jul 93

[Text] Tokyo, July 27 KYODO—Japanese companies are more satisfied with domestic semiconductors than those made overseas, according to a survey released by the International Semiconductor Cooperation Center Tuesday [27 July].

The survey covered 39 buyers and showed that Japanese makers rated 3.97 points on a scale of 5, while foreign brands came lower at 3.29 points.

The buyers were asked their impressions after their involvement with Japanese and foreign manufacturers in the "design-ins," where they cooperate in the making of semiconductors from the development and design stage.

Japanese manufacturers rated higher for diversity of products, and for price and quality.

Foreign companies rated higher for their technology in the office automation area.

The report said that some foreign makers "still need to improve their standards to meet the needs of Japanese users," noting that standards of foreign makes vary widely.

It suggested that the current dissatisfaction among Japanese users could be greatly reduced by joint development and that cooperation in production will solve cost and supply problems.

The report concluded further development will halt if buyers "just keep demanding more from their partners."

Consumer Confidence 'Picked Up' Apr-Jun

OW2707085593 Tokyo KYODO in English 0836 GMT 27 Jul 93

[Text] Tokyo, July 27 KYODO—Consumer confidence picked up in the April-June quarter for the first time in nine quarters, reflecting improved sentiment toward the labor situation, a government survey said Tuesday [27 July].

The consumer sentiment index for the second quarter came to a seasonally adjusted 41.5, up 8.4 percent from the preceding three months, said the quarterly survey released by the Economic Planning Agency (EPA). The survey was conducted June 15 on 5,040 households nationwide, of which 99.8 percent gave valid answers.

The index gauging consumers' confidence for labor conditions surged 39.2 percent to 32.9, the first rise in nine quarters since the October-December period of 1990, the survey said.

Households saying the nation's labor situation will worsen in the coming months were down, while those predicting a rosy outlook remained almost unchanged from the previous survey in March, an official at the EPA's Research Bureau said.

Three other indexes for consumer sentiment—attitudes toward overall livelihood, growth of income and willingness to purchase durable goods—all improved after worsening in the previous quarter.

Consumer confidence deteriorated only regarding prices, with the index of attitudes toward prices dropping 0.8 percent to 36.6.

North Korea

KCNA Denounces South on Stoppage of Rally

SK2607123693 Pyongyang KCNA in English 1125 GMT 26 Jul 93

["Challenge to Compatriots' Desire for Reunification"—KCNA headline]

[Text] Pyongyang, July 26 (KCNA)—South Korean "Prime Minister" Hwang In-song, at "a meeting of ministers in charge of public security" on July 24, stated that the August 15 pan-national rally sponsored by the South side headquarters for the promotion of the pan-national rally would not be allowed, according to a report from Seoul. "The government would take a tough measure, if the function were forced or an illegal violent demonstration staged," he threatened.

Hwang's remarks revealed his malicious intention to frustrate at any cost the fourth pan-national rally scheduled in Seoul according to the agreement reached at the meeting of the Presidium of the National Alliance for the Country's Reunification held in Beijing in May. They were a downright challenge to the 70 million fellow countrymen who are thirstily waiting for the reunification of the country.

Judging from the act of the South Korean authoarities who are lowering the check bar on the Seoul pan-national rally beforehand, the "civilian government" is a foe of reunification which is little different from the preceding military fascist "regimes" of dictatorship.

The South Korean authorities must promptly stop their criminal acts against reunification, looking squarely at the flow of the time.

Paper Criticizes Rally Prevention

SK2907061793 Pyongyang KCNA in English 0456 GMT 29 Jul 93

["Challenge to Fellow Countrymen's Desire for Reunification"—KCNA headline]

[Text] Pyongyang, July (KCNA)—A NODONG SINMUN analyst today hits out at the South Korean authorities' criminal scheme to block the opening of the fourth Pan-National Rally (PNR) in Seoul.

The South Korean ruling quarters at a recent "meeting of ministers in charge of public peace and security" raised outcries over somebody's "backstage manipulation" and decided "not to allow" the PNR to be sponsored by the headquarters for the promotion of the PNR and grand reunification festival activities promoted by the National Alliance of Youth and Students for the Country's Reunification (Pomchonghaknyon) on the occasion of the 15th of August.

This is a challenge to the fellow countrymen's desire for reunification and another unpardonable anti-national, anti-reunification criminal act to block the way of national reconciliation and unity and the grand reunification march of the fellow countrymen, the news analyst says, and goes on:

As far as the PNR, an annual function sponsored by the National Alliance for the Country's Reunification (Pomminnyon), is concerned, it is not a rally for opposing, attacking and isolating the North or the South, or supporting and praising any one side. The PNR is, in the true sense of the term, a rally for national reconciliation and unity transcending differences in ideology and idea, political view and religious belief and a plaza of reunification dialogue for bringing together the fellow countrymen's aspirations and will for reunification.

If the South Korean ruling force really want national unity and reunification and seek "civilian politics", they must not follow in the footsteps of the preceding military "regime" of the "Sixth Republic" but legalize the reunification movement of Pomminnyon publicly recognized at home and abroad, acknowledge the holding of joint functions like the 4th PNR in Seoul and actively ensure their success.

Trying to suppress the PNR supported by all the fellow countrymen as an "illegal rally" is, in fact, an act which can be committed only by traitors and separatists who have turned their back on the fellow countrymen.

SKNDF Denounces South Use of Arbitration Power

SK2607122093 Pyongyang KCNA in English 1015 GMT 26 Jul 93

[Text] Pyongyang, July 26 (KCNA)—The director of the Worker-Peasant Department of the South Korean National Democratic Front [SKNDF] (Hanminjon) in a statement on July 22 denounced the invocation of "emergency arbitration power" by the South Korean authorities aimed at stifling the labour movement, according to Voice of National Salvation.

He said that the invocation of the power by the present "regime" in defiance of the opposition of the people of all strata is motivated by a vicious intention to shift on to the workers the responsibility for the helpless economic crisis, deliberately carrying the situation to the extremes and misleading public opinion about the wage-hike struggle of the labouring masses and a plot to crush the labour movement in its initial stage.

Hanminjon strongly urges the present "regime" to withdraw at once the fascist "emergency ajbitration power", immediately stop the suppression of the righteous struggle of the working masses for a higher pay and discontinue seeking and arresting the core cadres of trade unions, he said.

If the Kim Yong-sam "government" continue to pursue the fascist labour control policy and wage freezing policy in collusion with capital, it will be destroyed by the united strength of the 10 million working people, he warned.

Union Denounces Arbitration Power

SK2407121093 Pyongyang KCNA in English 1109 GMT 24 Jul 93

[Text] Pyongyang, July 24 (KCNA)—The Central Committee of the General Federation of Trade Unions of Korea [GFTUK] in a statement today resolutely denounces the invocation of "emergency arbitration power" by the South Korean authorities against the Hyundai Motor workers who rose in demand of the right to live, branding it as an anti-popular, anti-democratic criminal act to emasculate and destroy the labor movement itself.

The present South Korean "regime" under the "civilian" veil chose to ruthlessly suppress workers by invoking the "emergency arbitration power", a fascist repressive step which even the preceding military fascist dictators had hesitated to exercise, the statement says, and adds: This is another proof of the deceptive nature and falsity of the "civilian regime" and "civilian politics".

The South Korean authorities, the statement goes on, far from defending the interests of the workers, sided with the management, threatening that they will "uproot collective egoism and arguing that "hardships must be shared". This shows that the South Korean "regime" is an ally of the comprador businesses, it stresses.

It says that the South Korean workers should fight staunchly till their demand is met and thus win victory at any cost and should powerfully support the struggle of the Hyundai Group workers through strengthened class solidarity.

The statement stresses:

The South Korean authorities must clearly know that fascist suppression is by no means almighty and immediately revoke the "emergency arbitration power" against the Hyondai Motor Co., stop all manner of suppression and promptly release the arrested trade union cadres and workers.

The entire workers in the northern half of the country will always render positive support as class brothers, convinced that their righteous struggle would surely be crowned with victory.

Committee Chides ROK on Arbitration

SK2407054893 Pyongyang KCNA in English 0425 GMT 24 Jul 93

["CPRF Secretariat Denounces 'Emergency Arbitration Power' in S. Korea"—KCNA headline]

[Text] Pyongyang, July 24 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland denounced the South Korean authorities for suppressing the just struggle of South Korean workers for vital rights and democracy by invoking the fascist "emergency arbitration power", branding it as an unpardonable crime against the people and the nation.

According to its information No. 634 released on July 23, the South Korean rulers on July 20 announced that they would invoke the "emergency arbitration power" at the Hyundai Motor Company to "deal with" the strike of workers under the Hyundai Business Group. And they threatened that they would mercilessly put down the strike with the mobilisation of 30,000 police of 200 companies, if the workers continued their struggle.

The information said:

The announcement of the invocation of the "emergency arbitration power" by the present South Korean "regime" which styles itself a "civilian government" turning a deaf ear to the just demands of workers for the vital rights and democracy clearly proves that this "regime" is a fascist and repressive one under "civilian" veil.

The South Korean authorities must clearly know that bayonet-brandishing cannot be a cure-all for the crisis.

It is a big mistake to think that the South Korean workers who call for elementary vital rights will stop fighting for fear of the "emergency arbitration power".

The South Korean authorities must revoke the fascist "emergency arbitration power" and meet the just demand of the workers.

KCNA Reports on South Joint Military Exercise

SK2407045593 Pyongyang KCNA in English 0432 GMT 24 Jul 93

[Text] Pyongyang, July 24 (KCNA)—The "Nodo Unit" of the South Korean puppet army staged the provocative "joint ground exercise 93" against the northern half of Korea from July 20 to 22, according to a radio report from Seoul.

Not only the entire soldiers of the unit but also the police and the local "homeland reserve forces" were mobilized in the exercise held under the motto of heightening "security consciousness" and "establishing" an irregular war posture and the exercise was staged day and night "under conditions of real war".

This shows that the present rulers who advocate "civilian politics" are running headlong toward confrontation and war, not unity and reunification.

WPK, Pyongyang Government Fete PRC Guests

SK2907084593 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 28 Jul 93

[Text] The Workers Party of Korea [WPK] Central Committee and the DPRK Government arranged a banquet at Mongnangwan yesterday [28 July] for the various Chinese delegations and guests who came to our country to participate in the celebration of the 40th anniversary of victory in the great fatherland liberation war.

Invited to the banquet were the PRC party and government delegation led by Hu Jintao, member of the Standing Committee of the Political Bureau of the Communist Party of China [CPC] Central Committee and member of the Secretariat of the party Central Committee, and Chi Haotian, deputy leader of the delegation, member of the CPC Central Committee, state councillor and defense minister; the CPC cadre delegation led by Shu Huaido, secretary general of political science and law under the CPC Central Committee; the delegation of the former Chinese People's Volunteers [CPV] led by Liu Anyuan, political commissar of the Nanjing military region under the Chinese People's Liberation Army; the delegation of the CPC Sichuan Provincial Committee; the friendship delegation CPC Shanghai Municipal Committee; the CPC Shandong provincial friendship delegation; the Chinese Jilin provincial friendship delegation; the Chinese Heilongjiang provincial friendship delegation; the Chinese Liaoning provincial friendship delegation; Zheng Yi, PRC ambassador to our country, and his embassy employees; the Korean-Chinese-side members of the Chinese People's Volunteers delegation to the Military Armistice Committee; and other Chinese guests.

Attending the banquet were Comrade O Chin-u, member of the Presidium of the Political Bureau of the WPK Central Committee and minister of the Ministry of the People's Armed Forces; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and chief of general staff of the Korean People's Army; Comrade Kye Ung-tae, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Choe Tae-pok, alternative member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Korean People's Army Vice Marshal Kim Pong-yul; Kim Yang-kon, deputy director of a department of the WPK Central Committee; Cha Pong-chu, vice minister of the Ministry of Foreign Affairs; DPRK Ambassador to the PRC Chu Chang-chun; and other relevant functionaries.

Comrade Kye Ung-tae delivered a speech at the banquet. He warmly welcomed the PRC party and government delegation and other members of the various Chinese delegations on behalf of the WPK Central Committee, the DPRK Government, and all the Korean people.

He said: Visits by the various Chinese delegations, including the Chinese high-level delegation, to our country originated in the hearts of the people who value DPRK-PRC friendship that was formed from blood ties. Therefore, it has made our celebration more significant and, at the same time, attests to the friendship and relations between the people of the two countries.

He stressed that 27 July is a second liberation day of our people as well as a joint national day of the people of the two counties of Korea and China. He also recalled that when the Korean people were fighting a hard fight against imperialist allied forces, the fraternal Chinese people sent their best sons and daughters as volunteers to the Korean frontline under the banner of "Resist America, Aid Korea, Safeguard the Home, Defend the Nation."

Referring to the faithfulness of CPV fighters to their leader's [kudului suryong] teachings, their sharing the fate of our People's Army in the same trenches, their vivid example of internationalism, and their sincere support for our people's restoration from the ruins after the war, he said: The immortal achievements made by the CPV fighters who dedicated their precious youth and lives, remain forever in the memory of the Korean people.

Referring to the Chinese people's great success made in the struggle to build socialism that is so characteristic of China, he wished them great success in their struggle for implementing the tasks presented by the 14th CPC Congress and the first session of the 8th National People's Congress and for achieving reunification of their country.

He stressed that DPRK-PRC friendship will constantly be strengthened and developed through joint efforts by the two parties, two countries, and two peoples, and said that our party's consistent policy is to further consolidate and develop the friendship which has a long historical roots and has stood all trials of history.

Following this, Comrade Hu Jintao delivered a speech.

He said: I extend lofty respect [sunggohan kyongui] and greetings to the Korean party, Government, and people on behalf of the Chinese party, Government, and people. I sincerely wish them greater success in their future construction.

He said that the Korean people are the great people who have several thousands of years of history, who are diligent and brave people who cherish independence and freedom, and who are endowed with a progressive spirit. Also, they are the able people who have greatly contributed to the civilization of mankind.

He said: We have been very pleased with the fact that over the past 40 years the Korean people have overcome maniford difficulties, restored their country from the ruins of the war, and made great achievements by invariably advancing along the road of socialism under the leadership of Comrade President Kim Il-song, Comrade Secretary Kim Chong-il, and the WPK.

Referring to changes that have taken place in the international situation from the day when the Korean armistice was signed until the present, he said: The Chinese party, Government, people support the Korean party, Government, and people in all their efforts to achieve independent and peaceful reunification, relax the situation on the Korean peninsula, and maintain security on the Korean peninsula.

He also said: We welcome the positive progress made at the DPRK-U.S. talks and hope that the parties concerned will continue to do so to promote the denuclearization of the Korean peninsula and maintain peace and stability by solving pending problems through negotiation on an equal basis.

He expressed the belief that the traditional China-Korean friendship which has stood the grim trials of history and has struck its roots deep in the hearts of the two peoples will continue to consolidate and develop in the future under the warm care of the leaders of the two countries, saying that the Chinese party and Government's firm and solid [hwakkopudonghan] policy is to constantly consolidate and develop friendship and cooperation between the two parties, two countries, and two peoples.

He added that the Chinese party, Government, and people will make efforts to realize it along with the Korean party, Government, and people.

Participants in the banquet proposed a toast to the traditional friendship and unity between the people of the two countries of Korea and China, for the great leader Comrade Kim Il-song's long life and good health, for the dear leader Comrade Kim Chong-il's long life and good health, and for the long life and good health of the Chinese leaders including Comrade Deng Xioping and Comrade Jiang Zemin.

Defense Minister Greets PRC Counterpart

SK2807054793 Pyongyang KCNA in English 0413 GMT 28 Jul 93

[Text] Pyongyang, July 28 (KCNA)—Marshal O Chin-u, minister of People's Armed Forces, sent a message of greetings to Chi Haotian, minister of national defence of China, on the occasion of the 66th founding anniversary of the Chinese People's Liberation Army.

The message says that the Chinese People's Liberation Army which was born in the flames of the grim revolutionary struggle won a brilliant victory in the anti-imperialist national liberation struggle and the revolutionary civil war and has creditably defended the security of the country and the revolutionary gains over the past 66 years, thus honourably discharging its noble mission.

It expresses the belief that the traditional relations of friendship between the two peoples and armies of Korea and China will grow stronger and develop with every passing day and wishes him new success in his responsible work for increasing the defence capabilities of the country.

Vice-Premier Meets PRC Provincial Delegation

SK2907050393 Pyongyang KCNA in English 0408 GMT 29 Jul 93

[Text] Pyongyang, July 29 (KCNA)—Vice-Premier Choe Yong-nim met and had a friendly conversation with the delegation of the Nationality Economic Development Corporation of Heilongjiang, China, led by its general manager Cui Xiuzhen at the Mansudae Assembly Hall Wednesday [28 July].

PRC Ministry Welcomes Progress in Geneva Talks

SK2207043793 Pyongyang KCNA in English 0423 GMT 22 Jul 93

[Text] Beijing, July 20 (KCNA)—A spokesman of the Foreign Ministry of China welcomed on July 20 the talks held between the Democratic People's Republic of Korea and the United States in Geneva.

Answering questions put by reporters, he said that the Chinese Government welcomes the positive progress made in the talks held between the Democratic People's Republic of Korea and the United States in Geneva and hopes that the parties concerned will continue to make joint efforts in a realistic and constructive attitude and to seek the proper solution to the issue of the DPRK's nuclear problem.

Japan's 'Outcries' Over Nuclear Issue 'Pretext'

SK2207054393 Pyongyang KCNA in English 0452 GMT 22 Jul 93

["What They Seek Is Nuclear Armament"—KCNA headline]

[Text] Pyongyang, July 22 (KCNA)—The Japanese authorities including Prime Minister Miyazawa are now raising persistent outcries over the fictitious "development of nuclear arms" by the Democratic People's Republic of Korea.

In this regard a NODONG SINMUN analyst today says:

What they seek in slandering the DPRK is to develop nuclear weapons in real earnest under that pretext.

Nuclear armament is a desire harbored by the Japanese ruling quarters from long ago.

Attributing Japan's defeat in World War II to its "insufficient strength," they are trying to gratify their dominationist ambition they failed to realize in the past by cultivating strength. So, they need a pretext to justify nuclear armament.

This is why they are crying over the "development of nuclear arms" by the DPRK.

Burning with thirst for nuclear weapons, they are also making free with jargon about the DPRK's "missile threat", openly revealing their intention to arm Japan with nuclear weapons.

The Japanese authorities would be well advised to ponder over the matter mindful of the possible consequences of their harebrained words and acts.

Minister's Remarks 'Unreasonable'

SK2207050093 Pyongyang KCNA in English 0429 GMT 22 Jul 93

[Text] Pyongyang, July 22 (KCNA)—The Japanese Foreign Minister Muto on July 20 made the unreasonable remarks that "a comprehensive assessment of the statement of agreement is impossible," taking issue with the press statement agreed upon between the sides at the DPRK-U.S. talks in Geneva on July 19, according to Japanese YOMIURI SHIMBUN.

This is a dastardly act to block the progress of the DPRK-U.S. talks and an open challenge to peace and security in the Korean peninsula and the world.

As is known, the results of the latest DPRK-U.S. talks at which the principles of the DPRK-U.S. joint statement were reaffirmed and a series of matters to fundamentally solve the nuclear problem on the Korean peninsula were discussed and agreed upon have won the sympathy of public opinion at home and abroad because they were progressive and productive.

Notably, at the talks, the sides discussed the problem of the replacement of the current graphite moderated reactors and associated nuclear facilities of the DPRK with Light Water Moderated Nuclear Reactors (LWRS) raised by the DPRK as part of the final solution to the nuclear problem. This served as a clearer proof of the transparence of the denuclearisation and peace policy of the DPRK and made it plain that we had no intention at all to develop nuclear weapons.

This notwithstanding, Muto grumbled about "indistinctness" and "nontransparency". Not much penetration is needed to see the malicious and insidious intention lurking behind it.

The Japanese authorities who had made quite a row over the non-existent "nuclear problem" of the DPRK found themselves helpless when the DPRK-U.S. joint statement was published. But, when the press statement was published this time, they went into a frenzied epileptic fix, totally nonplussed. They are nervous, afraid that Japan might lose the pretext for its nuclear armament.

The Japanese authorities are pointing the accusing finger at others when they are not in a position to mind their own business with the collapse of the one-party rule of the Liberal Democratic Party. This is the height of folly. They must look straight at the flow of the time and act with discretion.

Foreign Minister Meets New Cambodian Ambassador

SK2507011393 Pyongyang KCNA in English 1053 GMT 24 Jul 93

[Text] Pyongyang, July 24 (KCNA)—Vice-premier and Foreign Minister Kim Yong-nam today met and conversed with Oum Mannorine, newly-appointed Cambodian ambassador to Korea who paid a courtesy call on him.

Assembly Chairman Meets Lao Assembly President

SK2907051093 Pyongyang KCNA in English 0435 GMT 29 Jul 93

[Text] Pyongyang, July 29 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly, met and had a friendly talk with Vi-gnaket Saman, president of the National Assembly of Laos, at the Mansudae Assembly Hall Wednesday when the latter paid a courtesy call on him.

Present on the occasion were Yi Mong-ho, secretary of the Standing Committee of the Supreme People's Assembly, and the members of the Lao Party and state delegation staying in Korea and Ponmek Dalaloi, Lao Ambassador to Korea.

President Vi-gnaket Saman said the Korean people have registered amazing successes in all fields under the guidance of the party and the leader, adding that all the achievements are results of the line of the three revolutions set forth by the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, the line of carrying on the technical and cultural revolutions while giving precedence to the ideological revolution, and of their wise guidance.

He expressed the belief that the fraternal Korean people under the wise guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il would smash all the moves of the imperialists and surely achieve the reunification of the country, their cherished national desire.

President Kim Il-song Receives Russian Group

SK2807111293 Pyongyang KCNA in English 1020 GMT 28 Jul 93

[Text] Pyongyang, July 28 (KCNA)—The great leader President Kim Il-song today received the delegation of war veterans of the Russian delegation headed by Nikolay Ryashenko and former Soviet Army Surgeon Mikhail Shulman and his companion who are staying in our country to participate in celebrations of the 40th anniversary of the victory in the fatherland liberation war.

Present on the occasion were director of the Party History Institute of the Central Committee of the Workers' Party of Korea Kang Sok-song and general of the Korean People's Army Yi Chong-san.

The guests warmly congratulated the great leader on the 40th anniversary of the victory in the fatherland liberation war and wished him good health and long life.

President Kim Il-song expressed thanks for this and had a cordial and friendly talk with the guests.

He arranged a luncheon for the guests.

Kim-Il Song Greets Fidel Castro on Anniversary

SK2507112293 Pyongyang KCNA in English 1102 GMT 25 Jul 93

[Text] Pyongyang, July 25 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, sent a message of greetings on July 24 to Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba, on the occasion of the 40th anniversary of the attack on Moncada barracks.

The message says:

The first gun report sounded by the Cuban revolutionaries and people under your direct leadership in Moncada 40 years ago against the pro-U.S. dictatorial regime marked an important occasion in bringing about a new turn in the revolutionary struggle of the Cuban people for freedom and liberation.

The heroic Cuban people who won victory in the revolution through a hard-fought armed struggle after the attack on Moncada barracks have firmly defended the motherland and the gains of revolution from the ceaseless imperialist moves of aggression, interference and blockade, closely rallied behind the Communist Party of Cuba headed by you, and are now forcefully advancing along the road of socialism, filled with confidence and optimism.

We note with high estimation that the Cuban people are defending the country's sovereignty and national dignity and adhering to their principle, valiantly overcoming manifold difficulties in unity.

Availing myself of this opportunity, I sincerely wish you and your people greater success in the efforts for the implementation of the decisions of the 4th Congress of the Communist Party of Cuba and for the completion of socialism.

I am convinced that the friendly and cooperative relations forged between our two parties, two countries and two peoples in the course of the common struggle for independence, sovereignty and socialism will grow stronger and develop.

Papers Mark Anniversary of Cuban Uprising

SK2607060493 Pyongyang KCNA in English 0501 GMT 26 Jul 93

[Text] Pyongyang, July 26 (KCNA)—Papers here today dedicate articles to the 40th anniversary of the attack on the Moncada barracks in Cuba on July 26, 1953.

A by-lined article of NODONG SINMUN says that the attack on the Moncada barracks by the Cuban revolutionaries was a historical event that developed the struggle of the Cuban people for freedom and liberation to a new stage.

Since the attack the Cuban people waged an unremitting armed struggle under the militant slogan "With arms against armed enemy!" and finally won the victory of Cuban revolution by overthrowing the power of dictatorship.

The course of the heroic struggle and victory of the Cuban people showed that people could surely defeat any enemy when they fight with arms in their hands, united as one man,

Now the Cuban people are defending the revolutionary gains, courageously forcing the way through all difficulties and obstacles in the fighting spirit of Moncada and successfully fulfilling the tasks of the "special period in the peace time".

The Korean people highly praise the Cuban people who are accelerating socialist construction, while defending the sovereignty of the country and national dignity, not yielding to any difficult condition. The Korean and Cuban peoples are revolutionary comrades-in-arms and brothers who are standing together on the front of common struggle for independence against imperialism, for peace and socialism.

The Korean people will in the future, too, advance in close unity with the Cuban people in this struggle.

A signed article of MINJU CHOSON notes that the Korean people extend militant greetings to the Cuban people on the 40th anniversary of the armed uprising, their significant day, and hope them great successes in their future struggle to fulfil the decisions of the fourth congress of the Cuban Communist Party.

Castro Said To Denounce Clinton Remarks on DPRK

SK2807104693 Pyongyang KCNA in English 1002 GMT 28 Jul 93

[Text] Pyongyang, July 28 (KCNA)—Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers, speaking at the closing session of the fourth conference of political parties in Latin America and the Caribbean region July 24, denounced the provocative blast of the U.S. President against Korea.

Noting that the U.S. President recently let out outrageous remarks threatening the DPRK with the allegation that DPRK "wants to produce nuclear weapons", he said technology and resources are necessary to produce nuclear weapons and the whole world knows that such a country like Korea is not in possession of them.

Criticizing the United States for failing to blockade or threaten South Africa and Israel that produce nuclear weapons, he exposed that, conspiring with the countries following its policies, the United States has given aid in various forms to enable them to possess nuclear weapons.

Vice Premier Meets Iranian, Syrian Delegations

SK2907053193 Pyongyang KCNA in English 0436 GMT 29 Jul 93

[Text] Pyongyang, July 29 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam Wednesday met and had friendly talks separately with the Angolan Government delegation headed by Foreign Minister Venancio de Silva Moura; an Iranian Government delegation led by Mehdi Ahari Mostavi, vice-minister of Foreign Affairs; and a Syrian delegation headed by Ahmad Dergham, member of the Regional Leadership of the Arab Socialist Baath Party.

Prime Minister Holds Talks With Mozambican Group

SK2607060393 Pyongyang KCNA in English 0451 GMT 26 Jul 93

[Text] Pyongyang, July 26 (KCNA)—Talks were held here Sunday between the government delegations of the Democratic People's Republic of Korea and the Republic of Mozambique.

Present on the Korean side were Premier Kang Song-san, chairman of the state commission of science and technology Yi Cha-pang, Vice-Minister of Foreign Affairs Song Won-ho and other officials concerned.

Present on the Mozambican side were members of the delegation headed by Prime Minister Mario Fernandes Da Graca Machungo and Mozambican Ambassador to Korea Daniel Saul Mbanze.

The sides exchanged views on the further development of the friendly and cooperative relations between the two countries and on a series of matters of common concern.

The talks took place in a friendly atmosphere.

Premier Meets With Visiting Ugandan Delegation

SK2907045393 Pyongyang KCNA in English 0418 GMT 29 Jul 93

[Text] Pyongyang, July 29 (KCNA)—A government delegation of the Democratic People's Republic of Korea had talks with the government delegation of the Republic of Uganda at the Mansudae Assembly Hall on July 28.

Present at the talks on the Korean side were Premier Kang Song-san and Vice-Minister of Foreign Affairs Chang Song-kil and other officials concerned and on the Ugandan side were the members of the delegation led by Prime Minister George Kosmas Adyebo and the Ugandan Ambassador to Korea.

The sides exchanged views on the further development of the friendly and cooperative relations between the two countries and a series of matters of common concern.

The talks proceeded in a friendly atmosphere.

Lusaka, Pyongyang Delegations Hold Talks 24 Jul

SK2407114493 Pyongyang KCNA in English 1052 GMT 24 Jul 93

[Text] Pyongyang, July 24 (KCNA)—Talks were held here today between government delegations of the Democratic People's Republic of Korea and the Republic of Zambia.

Present on the Korean side were Vice-president Pak Song-chol, Chairman of the State External Economic Affairs Commission Yi Song-tae, Vice-minister of Foreign Affairs Pak Myong-ku and other officials concerned.

Present on the Zambian side were the members of the delegation headed by Vice-president Levy Patrick Mwanawasa and the Zambian Ambassador to Korea P.L. Kasanda.

The sides informed each other of their countries' situation and exchanged views on the further development of the friendly and cooperative relations between the two countries and on other matters of common concern.

The talks took place in a friendly atmosphere.

Social Democratic Party Elects Committee Chairman

SK2207053893 Pyongyang KCNA in English 0508 GMT 22 Jul 93

[Text] Pyongyang, July 22 (KCNA)—A plenary meeting of the Central Committee of the Korean Social Democratic Party [KSDP] was held here Tuesday.

Members of the KSDP Central Committee were present there.

The meeting discussed the organizational matter and elected Kim Pyong-sik chairman of the Party Central Committee.

Chondoist Chongu Party Elects Chairperson

SK2507101493 Pyongyang KCNA in English 0827 GMT 25 Jul 93

[Text] Pyongyang, July 25 (KCNA)—The 20th plenary meeting of the sixth Central Committee of the Chondoist Chongu Party was held in Pyongyang on July 24.

Present there were members of the Standing Committee and members of the Central Committee of the party.

The plenary meeting discussed an organisational matter and elected Mrs. Yu Mi-yong as chairperson of the Central Committee of the Chondoist Chongu Party.

Ceremony Marks Renovation of War Memorial Hall

SK2807112093 Pyongyang KCNA in English 1006 GMT 28 Jul 93

[Text] Pyongyang, July 28 (KCNA)—An inaugural ceremony of the memorial hall for resisting America and aiding Korea which had been rebuilt on an extensive basis on the occasion of the 40th anniversary of the Korean people's victory in the great fatherland liberation war took place in Dandong City, China, on July 25.

The monument at the hall is inscribed with big letters reading "Monument to resisting America and aiding Korea" written by Comrade Deng Xiaoping.

Jiang Zemin, general secretary of the Central Committee [C.C.] of the Communist Party of China [CPC], president of the State and chairman of the Central Military Commission, Li Peng, premier of the State Council, and Liu Huaqing, vice-chairman of the Central Military Commission, contributed their handwritings to the hall.

Hu Jintao, member of the Standing Committee of the Political Bureau and member of the Secretariat of the C.C., the CPC, made a speech at the opening ceremony and cut the ribbon.

He said that in the early 50s, one million fine sons and daughters of China participated in the Korean war and performed world-startling heroic feats.

40 years have passed since the war for resisting America and aiding Korea ceased, but it will remain as ever a big spiritual might encouraging the Chinese people in their efforts to develop China, he stressed.

WPK Publishes Book on Kim Il-song's Command

SK2607162393 Pyongyang KCNA in English 1531 GMT 26 Jul 93

[Text] Pyongyang, July 26 (KCNA)—The book "Iron-willed Brilliant Commander Who Defeated U.S. Imperialists" was published by the Workers' Party of Korea [WPK] Publishing House on the occasion of the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War (July 27).

The book consists of seven chapters including "With Brilliant Wisdom and Clairvoyant Insight", "With Superb and Brave Commanding Art", "With Unparalleled Grit and Iron Will" and "Battles in Korean-style".

The book carries stories about the extraordinary military wisdom, scientific insight, outstanding commanding art, unparalleled grit and iron will of the great leader President Kim Il-song who led the Fatherland Liberation War (June 1950-July 1953) to victory and his ooundless devotion to the victory in the war and his sacrificing spirit and warm love for and belief in the people and the People's Army soldiers.

Kim Chong-il Sends Gifts to Veterans at Conference

SK2907050293 Pyongyang KCNA in English 0407 GMT 29 Jul 93

[Text] Pyongyang, July 29 (KCNA)—The dear leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, sent gifts to the delegates to the National Conference of War Veterans.

A meeting for conveying the gifts was held at the 6,000-seat theatre of the February 8 House of Culture, the venue of the National Conference of War Veterans, Wednesday [28 July].

In their speeches, war veterans including general of the Korean People's Army Kim Sang-ho expressed the resolution of the veterans to creditably discharge their honorable mission and duty as revolutionary soldiers of the old generation to the country and the revolution in the future, too, as in the past, and accomplish the revolutionary cause of chuche, the cause of socialism, started by the great leader President Kim Il-song.

Present there with the delegates were Kye Ung-tae, Politburo member and secretary of the Central Committee of the Workers' Party of Korea [WPK], Chon Pyong-ho, member of the National Defence Commission of the DPRK and secretary of the Central Committee of the WPK, and other senior party and state officials.

Gross Industrial Output Value Rises 12 Percent

SK2407152793 Pyongyang KCNA in English 1509 GMT 24 Jul 93

[Text] Pyongyang, July 24 (KCNA)—The working people across the country are effecting a fresh upsurge in socialist economic construction in hearty response to the calls of the Central Committee of the Workers' Party of Korea for greeting July 27, the 40th anniversary of the victory in the war, as a grand festival of victors.

The nation's gross industrial output value in the last two months showed an increase of 12 percent as against the same period last year.

The production of major goods such as coal, electric power, steel, rolled steel, chemical fertilizers, cement, timber, mining equipment and consumer goods has markedly increased in this period.

With the successful progress of capital construction, more than 20 factories and workshops were commissioned or reconstructed on an expansion basis in the first half of the year and various projects are expected to be completed on the occasion of the 40th anniversary of the victory in the war.

The construction of coal mines and pits have been stepped up in different districts in the domain of coal industry to additionally create a 10 million ton production capacity this year. In the power industrial sector the project of the generator No. 2 system of the east Pyongyang thermal power station was completed and the project of makeshift drain of the dam of the Namgang power station was completed and started storing water.

Palpable successes were also reported from the metal and light industries, railway transport and from urban and rural construction.

In agriculture crops are generally ruling good.

Unusually rich crops are being reaped in vegetable and fruit growing, sericulture and other domains now in the harvest season.

KCNA Reports 29 Jul Pyongyang Press

SK2907061993 Pyongyang KCNA in English 0449 GMT 29 Jul 93

[Press review]

[Text] Pyongyang, July 29 (KCNA)—Papers here today carry a photo-accompanied report that the great leader President Kim Il-song received the delegation of the Russian war veterans and a former Soviet army surgeon and his companion.

NODONG SINMUN informs the readers that the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il received gifts from the head of the party and government delegation of the People's Republic of China.

Appearing in the press are messages of thanks to Comrade Kim Il- song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, and Comrade Kim Chong-il, supreme commander of the Korean People's Army, from Yasir 'Arafat, president of the state of Palestine, chairman of the Executive Committee of the Palestine Liberation Organisation and commander-in-chief of the Palestinian Revolutionary Armed Forces, leaving Korea.

NODONG SINMUN edits messages of greetings to President Kim Il-song and Comrade Kim Chong-il from party and state leaders of different countries on the occasion of the 40th anniversary of the victory of the Korean people in the great Fatherland Liberation War.

Figuring large in the press are reports that Comrade Kim Chong-il sent gifts to the delegates to the National Conference of War Veterans and 60th birthday tables and birthday tables to 124 delegates to the conference.

Seen in the press are congratulatory messages to Comrade Kim Chong-il from the Central Committee of the South Korean National Democratic Front and the Central Standing Committee of the General Association of Korean Residents in Japan on the occasion of the 40th anniversary of the victory in the war.

The delegation of the state of Palestine led by President Yasir 'Arafat left Pyongyang, reports the press.

The press gives accounts of talks between government delegations of Korea and Uganda and between delegations of the Workers' Party of Korea and the Mauritian Socialist Militant Movement.

Papers give an account of the banquet arranged by the Central Committee of the Workers' Party of Korea and the government of the DPRK for Chinese delegations.

NODONG SINMUN informs the readers that the Hwapung coal mine of the Anju district coal mining complex was commissioned.

Given in the press are accounts of the sojourn of foreign delegations in Pyongyang.

The 40th anniversary of the victory of the Korean people in the war was celebrated by the General Association of Korean residents in Japan and in different countries, according to the press.

Carried in NODONG SINMUN is an information of the Secretariat of the Committee for the Peaceful Reunification of the Fatherland denouncing the South Korean authorities' crackdown on the struggle of workers through the invocation of the "emergency arbitration power".

The press runs a commentary hitting out at the scheme of the South Korean ruling forces to "totally block" the fourth pan-national rally and grand reunification festival functions due in Seoul with August 15 as an occasion.

The paper reports that the Indian president visited Ukraine and the 8th Sino-British talks on the Hong Kong problem and the 26th ASEAN foreign ministers meeting were held.

NODONG SINMUN introduces Belarus and Maldives on the occasion of the independence days of these countries.

An article of the paper analyses the affirmative development of the democratic process to terminate apartheid in South Africa.

KCNA Reviews 28 Jul Pyongyang Press

SK2807112493 Pyongyang KCNA in English 1017 GMT 28 Jul 93

[Press review]

[Text] Pyongyang, July 28 (KCNA)—All papers here today devote much space to accounts of celebrations of the 40th anniversary of the victory in the great fatherland liberation war.

Conspicuous in papers are a picture of the great leader President Kim Il-song waving to the military paraders and civilian demonstrators, a photo-accompanied report of the military parade of military academies of the Korean People's Army, the worker-peasant red guards and the young red guards and a one-million civilian demonstration held in Pyongyang to mark the 40th anniversary of the victory in the war, a picture of President Kim Il-song seeing the evening celebrating the anniversary and a photo-accompanied report of the evening.

Seen in papers are reports that President Kim Il-song arranged a grand banquet to mark the occasion, he received the Chinese Party and government delegation and he in company with senior party and state officials received heads of state and government, party leaders and heads of delegations of various countries, as well as pictures.

Papers report that President Kim Il-song and Comrade Kim Chong-il respectively received floral baskets from Samdech Norodom Sihanouk, and received gifts from foreign heads of state and party leaders and from foreign delegations and personages.

Printed in NODONG SINMUN are congratulatory messages to President Kim Il-song respectively from the Central Committee of the South Korean National Democratic Front and the Central Standing Committee of the General Association of Korean Residents in Japan on the 40th anniversary of the victory in the war.

Papers carry a message of greetings sent by President Kim Il-song to President Alberto Fujimori Fujimori on the Independence Day of Peru.

NODONG SINMUN carries a message of greetings to President Kim Il-song from Ghanaian President Jerry John Rawlings on the 40th anniversary of the victory in the war.

Seen in the paper is a report that the dear leader Comrade Kim Chong-il was awarded "Order of Sacred Kuds Star" of Palestine and messages of greetings to him from foreign party leaders on the anniversary.

NODONG SINMUN informs the readers that a twin rainbow was hanging from the sky above Kim Il-song Square in Pyongyang on the morning of July 27, the 40th war victory day.

Papers carry accounts of the sojourn in Pyongyang of Samdech Norodom Sihanouk, the Palestinian state delegation led by President Yasir 'Arafat and foreign delegations.

KCNA Reviews 27 Jul Pyongyang Press

SK2707055293 Pyongyang KCNA in English 0535 GMT 27 Jul 93

[Press review]

[Text] Pyongyang, July 27 (KCNA)—Today is the 40th anniversary of the victory in the great fatherland liberation war, the second liberation day of the Korean people.

In this connection, papers here carry a photo-illustrated report that a grand ceremony for the completion of the monument to the victory in the fatherland liberation war was held in Pyongyang on July 26 in the presence of the great leader President Kim Il-song.

Spotlighted in the press are photo-accompanied reports that talks were held between President Kim Il-song and Palestinian President Yasir 'Arafat who has come to Pyongyang to attend the celebrations of the 40th anniversary of the victory of the Korean people in the fatherland liberation war, President Kim Il-song arranged a luncheon for President Yasir 'Arafat and he was awarded the Supreme Order of Palestine.

Carried in the press are reports that the delegation of the state of Palestine led by President Yasir 'Arafat arrived in Pyongyang on July 26 and he was warmly welcomed by 100,000 Pyongyangites. News of the sojourn of the president in Pyongyang is given in papers.

The great leader President Kim Il-song and the dear leader Comrade Kim Chong-il received floral baskets and congratulatory letters from the diplomatic corps and embassies in Pyongyang on the occasion of the day of victory, according to the press.

The press gives an account of a ceremony for the presentation of loyal letters addressed to President Kim Il-song and Comrade Kim Chong-il.

Appearing in the press are a report about the national meeting held to commemorate the 40th anniversary of the victory in the great fatherland liberation war, the report delivered by Premier Kang Song-san at the meeting and the congratulatory speech of Yi Chin-kyu, first vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) and head of the congratulatory group of Koreans in Japan there.

On the 40th anniversary of victory in the war, NODONG SINMUN runs an editorial headlined "Long Live the 40th Anniversary of the Victory in the Great Fatherland Liberation War!" and MINJU CHOSON an editorial titled "Let Us Further Glorify the Dignity and Honor of Socialist Motherland Under the Guidance of the Party and the Leader".

Printed in MINJU CHOSON are articles and pictures showing the invincible might of the Korean people and People's Army.

The press reports that the grand performance "Song of Wishes" was given in celebration of the 40th anniversary of the victory in the war, senior party and government officials, People's Army soldiers, working people and school youth and children laid wreaths in the Revolutionary Martyrs' Cemetery on Mt. Taesong, senior party and government officials laid wreaths before the Friendship Tower, foreign delegations arrived in Pyongyang and foreign delegations went round various places of Pyongyang.

NODONG SINMUN informs the readers of the completion of 30,000 flats in the capital city on the eve of the 40th anniversary of the victory in the war.

It is reported in the press that Fidel Castro criticized the rude remarks of the U.S. President against the DPRK, the 40th anniversary of the Korean people's victory in the war was celebrated in different countries and the Chinese PEOPLE'S DAILY carried a travelogue on Korea headlined "Friendship Is Felt Everywhere" written by its delegation.

KCNA Reviews 26 Jul Pyongyang Press

SK2607062293 Pyongyang KCNA in English 0517 GMT 26 Jul 93

[Press review]

[Text] Pyongyang, July 26 (KCNA)—Papers here today carry a photo-accompanied report that the great leader President Kim Il-song, accompanied by party and state senior officials, posed for a souvenir picture with the delegates to the national conference of war veterans.

Given in the press are gists of speeches at the national conference of war veterans, news about the closing of the conference and an account of conferences of war veterans in provinces, cities, counties and at complexes.

Papers carry messages of greetings Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, sent to Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the council of state and president of the council of ministers of the Republic of Cuba, on the occasion of the 40th anniversary of the attack on Moncada barracks and to Maumoon Abdul Gayoom, President of the Republic of Maldives, on the independence day of Maldives.

NODONG SINMUN carries a message of greetings to President Kim Il-song sent by Abdou Diouf, President of the Republic of Senegal, on the occasion of the 40th anniversary of the Korean people's victory in the fatherland liberation war.

Classical work of President Kim Il-song "Enhancing the Role of the Popular Masses is the Guarantee for victory in the Cause of Independence" was published in booklet in Czech, says the paper.

The paper in an article says that the dear leader Comrade Kim Chong-il initiated a movement for Army-people unity model county and wisely led it.

A pit belt conveyor transport line of the Namyang coal mine of the Pukchang district coal mining complex in South Pyongan Province has been built and the Sungrisan revolutionary museum is open on the occasion of the 40th anniversary of the Korean people's victory in the fatherland liberation war, says the press.

NODONG SINMUN reports that functions celebrating the 40th anniversary of the victory in the fatherland liberation war were held in foreign countries.

The paper informs the readers that talks between the delegations of the Korean and Mozambican governments were held in Pyongyang.

Appearing in the press are a profile of Prime Minister George Kosmas Adyebo, heading a Ugandan Government delegation to visit Korea to participate in celebrations of the 40th anniversary of the victory of the Korean people in the fatherland liberation war and news that foreign delegations and delegates arrived here to attend the celebrations.

Yu Mi-yong was elected chairperson at the plenary meeting of the Central Committee of the Chondoist Chongu Party, according to the press.

NODONG SINMUN edits photo-accompanied articles on the heroic feats performed by People's Army soldiers in the period of the fatherland liberation war and their growth into a-match-for-a-hundred soldiers under the title "The Korean People and People's Army Guided by Great Brilliant Commander Will Always Emerge Victorious."

The South Korean puppets committed a grave military provocation in the Demilitarized Zone along the Military Demarcation Line, says the paper.

Papers observe the 40th anniversary of the attack on Moncada barracks by Cuban revolutionaries.

MINJU CHOSON dedicates an article to the independence day of Maldives.

KCNA Reviews 24 Jul Pyongyang Press

SK2407054593 Pyongyang KCNA in English 0443 GMT 24 Jul 93

[Press review]

[Text] Pyongyang, July 24 (KCNA)—Papers here today devote much space to accounts of the National Conference of War Veterans which opened here Friday in the presence of the great leader President Kim Il-song.

Carried in the press are a congratulatory message of the Central Committee of the Workers' Party of Korea to the conference, the report at the conference, a congratulatory message of the Korean People's Army to the conference and speeches there.

Papers carry a photo-accompanied report that President Kim Il-song, in company with by senior party and state officials, met Yi In-mo, a former war correspondent of the Korean People's Army, who was attending the conference.

Printed in NODONG SINMUN is a message of greetings to President Kim Il-song of the Democratic People's Republic of Korea from Benin President Nisephore Soglo on the occasion of the 40th anniversary of the victory of the Korean people in the war.

Appearing in the daily is a report that President Kim Il-song received a message and a letter from the participants in meetings of international solidarity with the Korean people held in foreign countries.

It is reported in the press that President Kim Il-song and Comrade Kim Chong-il received floral baskets and congratulatory letters from the economic and commercial councillors corps here.

NODONG SINMUN reports that a seminar on the subject "Dear Comrade Kim Chong-il is the great leader who guides the cause of independence to victory" was held in Zimbabwe, a lecture on his greatness was given in Egypt on the occasion of the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War, the Indian Society for the Study of Kim Chong-il's works was inaugurated and the general secretary of the C.C. [Central Committee], the Communist Party of Ecuador highly praised the immortal feats of the dear leader Comrade Kim Chong-il.

The press gives an account of the arrival of foreign delegations and delegates in Pyongyang to participate in the celebrations of the 40th anniversary of the victory of the Korean people in the war and carries a profile of the Mozambican prime minister and a notice of the Korea visit of a Ugandan Government delegation led by the prime minister.

NODONG SINMUN comes out with a commentary denouncing the silly talk of the South Korean "foreign minister" over the fictitious "nuclear problem" of the North.

Papers inform the readers that the South Korean puppets committed a grave military provocation in the Demilitarized Zone and staged the provocative "joint ground exercise 93".

NODONG SINMUN gives an account of the opening of the fourth meeting of left political parties in Latin America and Caribbean region.

* Trade With Russia, China Seen Changing

932C0161A Seoul NAEWE TONGSIN in Korean 20 May 93 pp D1-D8

[Published by Agency for National Security Planning (NSP)]

[Excerpts] Not only were the former Soviet Union and China traditionally North Korea's allies from a political and military standpoint, even from an economic standpoint they were its first and second ranking trading partners.

However, with the changes in the economic environment following the collapse of the socialist world, and particularly following the hard currency settlements between socialist countries which began on 1 January 1991, there have been great changes in these countries' economic relationships. Until recently, the former Soviet Union, as North Korea's greatest trading partner, made up over 50% of all North Korean trade between 1985 and 1989. Even in 1990, North Korean exports to the former Soviet Union amounted to $440.45 million and imports amounted to $701.45 million, total trade being $1,041,910,000, it made up 38.1 percent of North Korea's foreign trade.

In 1991, however, total North Korean trade with the former Soviet Union stopped at $364.74 million, with exports at $171.01 million and imports at $193.73, falling to third place behind China ($654.36 million) and Japan ($517.56 million). Its portion of total North Korean trade was greatly reduced to 14.1 percent.

The reason North Korean trade with the former Soviet Union was so greatly reduced was because of the obvious reduction in trade due to the former Soviet Union's economic chaos and because the former Soviet Union caused a shortage of foreign currency in North Korea by changing conditions for trade with North Korea from the open accounts of the past to hard currency settlements using international pricing standards. [passage omitted]

Also, because the Ruble [R] to U.S. dollar exchange rate, as of 1 November 1990, was devalued by about 300 percent from $1 = R0.6742 to $1 = R1.6458, the scale of trade was sharply reduced. [passage omitted]

As can be seen in the chart above, both the former Soviet Union and North Korea practiced trade using open accounts until the end of 1990. Thus, when accounts were settled, the amount of the former Soviet Union's trade surplus was actually treated as aid to North Korea. In December, 1990, both North Korea and the former Soviet Union agreed to replace the existing open accounts system with a new liquidation system and began settling in hard currency in January, 1991.

However, during the first quarter after deciding on cash settlements, trade between the two countries was virtually nonexistent. When, due to cash settlement measures, significant problems arose in the export of various kinds of equipment to be supplied to the thermoelectric power plant project being constructed in the vicinity of Pyongyang, trade with North Korea using open accounts was again partially authorized. In accordance with this, 1991's trade was divided into three classifications: "general trade" on a cash liquidation basis, "direct trade product exchange," and "product exchange for North Korean loan payments to the former Soviet Union."

Concerning North Korea's debt payment product exchange with the former Soviet Union, it was agreed upon that a considerable amount of goods, over R2.5 billion worth, would be supplied to the former Soviet Union between 1991-1995 as repayment of past debts. The promised repayment amount for 1991 was R501 million. [passage omitted]

As for the trade of items on the designated products list, obligatory exchange products vital to both countries, it is estimated that even by the end of 1991, the contract standard was not achieved, with former Soviet Union exports to North Korea through the end of July, 1991, before the coup d'etat in August, 1991, at only 22 percent of the contract standard and imports from North Korea (North Korean supply contract) at only 16.2.

On the other hand, following the collapse of the former Soviet Union in December 1991, North Korea and the Russian Federation attempted renegotiation and agreed that the Russian Federation would continue the former Soviet Union's loans to North Korea and that, beginning in 1992, trade between the two countries would be implemented on a hard currency settlement basis.

Also, North Korea agreed that its accumulated debt to Russia, as of the end of 1992, was R3.2 billion, but refused to repay its debts in dollars. North Korea classified its Russian debt into credit loans and trade debt and concerning its R1.5 billion trade debt, agreed to repay it at a fixed 1990 price. [passage omitted]

In the past, the former Soviet Union had exported 800 thousand tons of petroleum to North Korea annually at a friendship price [Uho Kagyok] based on the barter system. In the 1980's, however, the former Soviet Union's supply of petroleum to North Korea gradually decreased and, particularly following the demand that petroleum be paid for in hard currency beginning in 1991, North Korean petroleum imports from Russia rapidly declined.

Russian only supplied North Korea with about 40 thousand tons in 1991 and 30 thousand tons in 1992 and it is reported that this was done on a hard currency liquidation basis. This was particularly true of the import of fuel and energy resources, such as petroleum, petroleum products, coal, lump coal, etc., which make up approximately one-third of imports from the former Soviet Union, which dropped to about one-tenth of previous levels. [passage omitted]

This rapid decrease in the supply of energy from Russia is the direct cause of North Korea's recent energy crisis. Accordingly, North Korea is actively pursuing trade agreements with Russia and other republics and the creation of a joint economic commission, but it is predicted that a return to past levels will be difficult.

With the exception of the Cultural Revolution period, North Korea and China maintained a mutually stable and friendly relationship through the end of the 1980's. With the 1990's, however, in keeping with its promotion of economic openness and reform and international post-ideological trends, China is working, from an economic standpoint, to reduce friendship-based trade and aid-type trade with North Korea.

Because the socialist market economy system China is pursuing puts priority on economic gain rather than political planned aid, the structure of preferential trade with North Korea is inconsistent with the direction of China's reforms.

Until now, the trade imbalance between China and North Korea (Chinese surplus) has been treated as Chinese material and equipment loans to North Korea. China's trade surplus with North Korea, which first appeared in 1987, accumulated to about $1.4 billion between 1987 and the end of 1992. [passage omitted]

Accordingly, Chinese aircraft exports to North Korea and transportation costs between China and North Korea began to be settled in dollars beginning in 1989. In May, 1991, Chinese Prime Minister Li Peng, in order to solve the trade imbalance, visited North Korea and gave notice of a conversion to a new trade system based on convertible currency at international prices.

Also, the "Agreement on Trade between the governments of China and North Korea [Chungguk-Pukhan Chongbugan Muyok Hyopjong]" was concluded in Pyongyang in January 1992. Both parties agreed to convert trade between the two governments from the existing barter system to one of cash settlements. Beginning in 1992, China demanded cash settlement for imported petroleum.

However, due to the influence of the judgment of the Chinese Government that the blow to North Korea from implementing the new trade system in 1992 would be great and that instability on the Korean Peninsula was not in the Chinese national interest, and of the normalization of South Korean-Chinese relations, only about 30 percent of the trade between the two countries was settled in hard currency in 1992.

On the other hand, on 28 December 1992, Chinese Department of Trade Vice Minister Li Lan Qing, while "emphasizing the need to reduce government control of trade between the two countries' enterprises and for self-regulated trade" to North Korean Committee for External Economic Affairs Vice Chairman Kang Chong-mo, then visiting Beijing, he again demanded cash settlement in Chinese-North Korean trade beginning in 1993.

In its petroleum exports, China, North Korea's greatest trade partner and petroleum supplier, abolished friendship prices and has been making its petroleum-supply prices realistic since 1991. That is, although the dollar amounts of North Korea's 1991 petroleum imports from China, at $100,003,935, increased 127.3 percent compared to 1990's $61.31 million, in quantity, they only increased by 3.7 percent to 1.102 million tons over 1990's 1.063 million tons. The per ton unit cost of petroleum, which in 1990 had been $58, rose sharply in 1991 more than doubling to $126, so wee can see that the existing friendship prices have come closer to the international market price ($131 per ton). [passage omitted]

It appears that the Chinese demand to the North Koreans for cash settlement, in actuality, is having little effect on the hard currency settlements making up 30 percent and civilian sector boarder trade making up 20 percent of total trade between the two countries. It is only the other 50 percent, Chinese-North Korean intergovernmental trade which has been conducted on a open account basis, that is expected to be hard hit.

Thus, although the possibility that problems concerning all products other than petroleum, coal, etc., will be solved without much confusion through negotiations between Chinese local governments and North Korean Government, trade in products which had been conducted on an open account basis will be the most effected by the conversion to cash settlements.

Also, as long as the Chinese do not provide the North Koreans with loans, import of strategic and energy products, such as petroleum and coal, from China will be difficult.

Particularly, although petroleum and coal had been supplied mostly through a planned distribution system, recently, China has been putting a great deal of effort into expanding the market economy, such as setting up specialized trade markets and adopting a futures trading system.

Thus, although, at present, China is a petroleum exporting nation, its own demand for petroleum and coal is growing due to domestic industrial development, and because the rate of increase in petroleum production remains below the economic growth rate, it is predicted that China will become a petroleum importing nation beginning about 1995. Thus, exports in fossil fuels, such as petroleum and coal, to North Korea cannot help but shrink. [passage omitted]

Contrary to what was mentioned above, it appears that Chinese demand for hard currency settlements will have the largest influence on North Korea's energy supply and demand. Should it become impossible to obtain a smooth supply of petroleum from China, this would be a heavy blow to the North Korean economy, which is already suffering energy shortages due to a drastic reduction in the petroleum supply from Russia.

Although, as a result of its policy of energy self-sufficiency, oil makes up only 10 percent of North Korea's primary energy resources (coal 70 percent, hydroelectric power 16 percent, other 4 percent), in other areas, such as industrial production, transportation, and fishery, it is of decisive importance.

Thus, should hard currency liquidation for Chinese petroleum exports to North Korea be implemented full-scale, on top of the price increases implemented since 1991, this will delay the import of machinery, machine oil, and the introduction of advanced technology, of lesser importance than petroleum as strategic imports. This is because at least a minimum of energy imports is essential, even though it has to be paid for in hard currency. As a result, the North Korean economy's vicious cycle, delayed growth, will continue.

South Korea

DPRK Ship in Taiwan for 1st Time in 40 Years

SK2807145293 Seoul KBS-1 Television Network in Korean 1230 GMT 28 Jul 93

[Text] Charles Hong, president of the (Waegon) shipbuilding yard who is well informed on the situation of North Korean ships revealed that a North Korean ship arrived in Taiwan for the first time in 40 years to carry a shipment of clothing made in Taiwan.

CIA Director Views DPRK's Weapons Capability

SK3007011593 Seoul YONHAP in English 0134 GMT 29 Jul 93

[Text] Washington, July 28 (YONHAP)—The Central Intelligence Agency still believes that North Korea may have enough plutonium for "at least one" nuclear weapon, CIA Director James Woolsey testified Wednesday. He confirmed that Pyongyang recently tested a new missile with a range of about a thousand kilometers that is capable of carrying nuclear, chemical or biological warheads. "...North Korea, which I identified earlier this year as our most urgent national security threat in east Asia, continues to be of great concern," Woolsey told the House Foreign Affairs Subcommittee. "I must stress that our assessment that the North Koreans could have produced enough plutonium for at least one nuclear weapons (SIC) still applies. And thus this issue continues to require everyone's closest attention," the director said.

He welcomed North Korea's decision to suspend withdrawal from the Nuclear Nonproliferation Treaty but said that "Clearly, we're not out of the woods on this issue." "Progress is going to depend on North Korea's following through with productive discussions with the IAEA (International Atomic Energy Agency)."

Woolsey's appearance before the subcommittee dealt primarily with proliferation of weapons of mass destruction. The CIA director had described the new North Korean missile in his testimony last February as being in the developmental stage. "I can now confirm that the North Koreans recently tested the missile, which in addition to conventional warheads is capable of carrying nuclear, chemical or biological payloads," said Woolsey. The new missile can reach virtually all of Japan, he said, and when sold abroad, Iran can reach Israel and Libya can strike U.S. bases and allied capitals in the Mediterranean.

Woolsey said he believed North Korea had already sold its Scud-C missiles to Syria and Iran and struck an agreement with Libya. North Korea, China, Iraq, India and Pakistan are the most eager countries to invite scientists from the former Soviet Union, but these scientists are mostly experts in basic technology, according to the intelligence chief. Some among them had engaged in weapons development programs and were thus a cause of serious concern, he said.

YONHAP Notes Recent Changes in DPRK Leadership

SK2907073493 Seoul YONHAP in English 0601 GMT 29 Jul 93

[Text] Seoul, July 29 (YONHAP)—Moderate changes in the hierarchy in North Korea late last year and in July have seen Yon Hyong-muk dismissed as premier on Dec. 11 and lose full membership of the Politburo on Dec. 12, becoming an alternate member of the Workers' Party Politburo, Seoul's official North Korea watcher, NAEWOE press, said Thursday. Kim Chol-man rose from fourth among alternate Politburo members to first in on Dec. 12 while Kim Pok-sin and Hong Si-hak were struck off the roll.

Kim Tal-hyon became an alternate member of the Politburo in December and ranked fifth, but fell to eighth at a war veterans' convention on July 23-25. Kim Ki-nam, who had been ranked eighth, dropped to 12th, and Kim Kuk-tae, ranked ninth, has fallen to 13th.

President Kim Il-song's younger brother, Kim Yong-chu, made his first appearance in 18 years on July 26 since May 1975. His name was referred to in between 10th ranking Politburo member Chon Pyong-ho and 11th ranking Han Song-yong when North Korean media listed the names of senior officials at the war veterans' rally.

Seoul Requires Formal Russian Request on Debt

SK2907080493 Seoul YONHAP in English 0742 GMT 29 Jul 93

[Text] Seoul, July 29 (YONHAP)—South Korea will not consider rescheduling Russia's debt until it receives a formal request in writing from Moscow, a government official said Thursday. "It is true that Russian officials on numerous occasions have suggested to the South Korean ambassador, and to others, that (amendment of the) repayment schedule may be inevitable, but we do not regard this as an official request," the Foreign

Ministry official in charge of the matter said, speaking anonymously. "Even if we do start discussing rearrangements, it will be entirely bilateral, independent of the terms agreed at last April's (meeting of the) Paris club," he said.

Seoul pledged 3 billion U.S. dollars in economic aid to the Soviet Union, and 1.47 billion dollars has been given so far in cash and export-tied loans. The amount up for rescheduling will be approximately 36 million dollars, due back this year. "We can't discuss rescheduling terms within the government without a formal request from Moscow, meaning not a verbal request but in writing," the official said. Seoul's position is that it does not want Russia to link the Paris club accord with the bilateral agreement, he added.

Russia To Place Capsule in Orbit To Celebrate Expo

SK2107070293 Seoul YONHAP in English 0536 GMT 21 Jul 93

[Text] Seoul, July 21 (YONHAP)—A small radio station will be established at the Taejon Expo press center, the Organizing Committee announced on Wednesday. Taejon Exposition FM radio, which is to broadcast information for visitors, will have a strength of 1 kilowatt and a maximum range of 50 kilometers The station will operate from 8 A.M. to 10 P.M. every day from Aug. 8 until Nov. 7, airing a mix of music, live performances and Expo information at 90.5 mhz.

—Lucky-Goldstar business group opened its "technopia" pavilion at the Taejon Expo on Tuesday afternoon in a ceremony attended by group Chairman Ku Cha-kyong and Expo Organizing Committee Chairman O Myong. On display in the first corporate pavilion to open is a high-definition television and other electronics products. A film show takes viewers on a ride in a time machine to the future where a city is defended from attack by aliens, and robots play traditional Korean music in a presentation that lasts around 40 minutes. Construction of the pavilion began in January 1992 and cost 30 billion won (37.5 million U.S. dollars).

—Russian Ambassador Aleksandr Panov and Valeriy Nazarov, the Russian Government's delegate to the Expo, told a press conference Tuesday that Russia will put a capsule into orbit to celebrate the Taejon Expo. The capsule, containing a congratulatory message from Russian President Boris Yeltsin, will fall into the sea west of Korea and a Russian Navy vessel will retrieve it and deliver to the Expo.

To be launched on "Russia Day" Aug. 23, the capsule is 2.3 meters high and weighs 2.7 tons. The launch, fall and pickup will be broadcast live on Korean television, a Russian Embassy official said. The cost is 50 million U.S. dollars and Russia is seeking help from Korean industry to pay for it, he said. Russia will also send actors, a gipsy drama troupe, a caucasus folk musician, a circus and a ballet corps to Korea to tour major cities during the Expo.

—A day at the Taejon Expo will cost a minimum of 100,000 won (125 U.S. dollars) for a family of four with one child in elementary school and one in high school. Parking is 5,000 won, and entry is 30,000 (9,000 won per adult, 7,000 won per middle school pupil and 5,000 won per elementary school pupil). Travel around the Expo by monorail costs 4,000 won per person and a gondola ride costs 2,000 won for adults and 1,300 won for children. One trip on each will cost this mythical family 22,600 won, for a total of 57,600 so far.

Near the Expo are 21 amusement facilities, entry for each of which is 3,000 won for adults, 2,000 won for teenagers and 1,100 won for children. Rides and games cost between 1,000 won and 2,800 won each. A day pass for the facilities is 15,000 won for adults, 12,000 won for teenagers and 9,000 won for children, so this family would pay 51,000 won. The total is now 108,600 won, but if they want to eat and drink they will need around 150,000 won and one night at a hotel will double the cost to 300,000 won (375 dollars).

Seoul Views Place in PRC for Separated Families

SK2807143993 Seoul CHUNGANG ILBO in Korean 26 Jul 93 p 2

[Text] It was learned on 26 July that to make separated families' reunions more convenient, the government is examining the possibility of establishing a meeting place for separated families in Yanji City, Yanbian Korean Autonomous Prefecture, China. The government believes that if establishing a meeting place for separated families becomes official, it may become a political issue and that there is the high possibility that all meetings for separated families may be blocked. Therefore, the government is examining the possibility of operating the meeting place in an unofficial and nongovernmental form, until a meeting place for separated families is established in Panmunjom.

Accordingly, for future applications for approval of contacting families and relatives in the North, the government will introduce them to residents in Yanji and depending on the result, the government will decide whether to establish a meeting place there.

The government's policy is based on the fact that over 70 percent of family reunions are arranged through China. Family reunions are expected to increase once a meeting place is set up.

The Ministry of the Board of National Unification sent three working-level officials to the Yanbian Korean Autonomous Prefecture from 13 to 22 July. They have finished primary research on the status of family reunions and on selecting an appropriate place for setting up a meeting place.

In the primary research, the government working-level officials met officials of the Yanbian Korean Autonomous Prefecture and residents of Yanji, who are currently involved in arranging reunions for separated families, and had in-depth discussions with them on this matter. From the establishment of the guideline on South-North exchange and cooperation in June 1989 up until June 1993, a total of 797 applications for contacting families and relatives in the North have been approved and 335 applicants have met their families. Over 70 percent of the meetings among separated families have taken place in China.

Chinese Envoy to UN Arrives for Three-Day Visit

SK2807090393 Seoul YONHAP in English 0825 GMT 28 Jul 93

[Text] Seoul, July 28 (YONHAP)—Chinese Ambassador to the United Nations Lizan Xing arrived in Seoul on Wednesday for a three-day visit to discuss the North Korean nuclear issue with South Korean officials.

Xing is scheduled to meet with Vice Foreign Minister Hong Sun-yong and other government officials, who will explain the ongoing efforts to persuade North Korea to accept international nuclear inspections and ask for Beijing's support when the issue is referred to the United Nations.

Xing is on his way to China for a conference of mission chiefs.

Daily Views PRC Dealings With North, South

SK2907080093 Seoul KYONGHYANG SINMUN in Korean 29 Jul 93 p 4

[Article by Beijing-based correspondent Sin Yong-su]

[Text] China's demonstration of "traditional friendship" with North Korea on the 40th anniversary of the truce of the so-called "war of resistance to U.S. aggression and aid to Korea" (Korean war) was typical of China's calculated diplomacy of keeping North and South Korea at equal distance. China on 26 July sent a high-level delegation to Pyongyang led by Hu Jintao, member of the Standing Committee of the party Central Committee, with Defense Minister Chi Haotian as his deputy to attend the celebration of the 40th anniversary of the truce in the Korean war.

The Chinese delegation, on the way to Pyongyang on 25 July, stopped over at Dandong, a Chinese city across the river from Sinuiju, and attended the dedication ceremony of the "Resist U.S. Aggression and Aid Korea Memorial." The dedication of the Korean war memorial, which is inscribed "A Monument to the Struggle to Resist U.S. Aggression and Aid Korea" in the calligraphy of China's supreme leader Deng Xiaoping was a grand event attended by 4,000 people, including Chinese officials and Dandong residents.

The Chinese press on 26 July reported the event in Dandong with big headlines, articles by official news agency XINHUA, a detailed report on the speech by Hu Jintao, member of the CPC Central Committee Standing Committee, who described "the war of resistance to U.S. aggression and aid to Korea" as a great war of justice against aggression. The event planned by Chinese officials and the nature of the Chinese press coverage were enough to give the ROK a feeling of alienation in view of the ROK-China honeymoon atmosphere of recent days.

Furthermore, the ROK Embassy in Beijing was not informed in advance of the dedication ceremony of the war memorial in Dandong. The ROK Embassy is planning to express annoyance to the Chinese side through diplomatic channels.

The Chinese press on 28 July also carried front-page articles datelined Pyongyang on the meeting between Hu Jintao, head of the Chinese delegation who attended the victory celebration, and North Korean President Kim Il-song, which demonstrates that China attaches importance to its relations with North Korea. This type of reporting by the Chinese press, which is mostly government-run, must upset the ROK as the articles faithfully reflect the basic position of the Chinese authorities.

We do not know how China will react to the expression of displeasure by the ROK side, but the ROK side has to lodge a complaint in some form. The ROK has some reason for maintaining a more or less lukewarm attitude toward the recent development.

This is based on South Korea's belief that China needed to make amends to North Korea, which was alienated because of the establishment of Chinese-ROK relations last August. A high-ranking diplomat from the ROK Embassy in Beijing said: China's maintaining friendly relations with North Korea has some good aspects because it means that China can continue to exercise influence on North Korea.

His believes that the aggravation of relations between China and North Korea is not beneficial to the ROK. It was apparent that China was aware of North Korea when it took steps to improve relations with the ROK. When China on 20 October 1990 signed the agreement establishing the ROK-PRC trade missions, the first official civilian channel with the ROK, it made sure that the ground- breaking ceremony for the expansion project of the Resistance to U.S. Aggression and Aid to Korea War Memorial was held on 24 October, four days later.

When China signed various inter-state agreements with the ROK following the establishment of diplomatic relations between the two countries, PRC-North Korean relations had to be estranged. Moreover, in seeking the settlement of the North Korean nuclear issue, China exercised its influence on North Korea, emphasizing the settlement of the issue through dialogue between the parties concerned. Therefore, the Chinese side may regard the dispatch of a high- level delegation to attend the truce anniversary celebrations in Pyongyang and the attendance at the opening ceremony of the war memorial as a good opportunity to calm the North Koreans.

Meanwhile, China approved the return of the remains of the Korean independence fighters from Shanghai to the ROK on 5 August, thus taking a calculated step to approve the legitimacy of the ROK. After all, China reaffirmed its position to carry on its diplomacy of keeping North and South Korea at an equal distance in dealing with the problems on the Korean peninsula.

Navy Increases Protection of Ships in China Seas

SK2907023893 Seoul YONHAP in English 0108 GMT 29 Jul 93

[Text] Seoul, July 29 (YONHAP)—South Korea's Navy and the Maritime Police have been instructed to step up patrols in the high seas of the South China Sea and East China Sea to cope with a series of attacks and threats on Korean freighters by armed pirates. The Defense Ministry recently informed related government agencies and other organizations of its measures to protect Korean ships from pirates attempting to steal their cargoes, a frequent occurrance in the West Sea, East China Sea and South China Sea, a spokesman for the Korean Shipowners' Association said Thursday.

The Navy and police have advised all freighters to immediately contact nearby naval or police ships on meeting pirates or on coming into danger. The government, considering that random warning shots and ship searches are against the international maritime law, will officially protest the piracy to the relevant country through diplomatic channels if shipowners take photographs or draw sketches that it can use in such cases.

In April, a Korean ship sailing from Pusan to Malaysia was attacked twice by an unidentified vessel in the East China Sea and a freighter heading for Ho Chi Minh City from Yokohama was held up by armed pirates east of Taiwan in June. So far this year, there were 30 attacks and armed threats by ships in the East China Sea, including assaults on a North Korean ship returning from Hong Kong by four speedboats on July 14. Japanese ships are reported to have suffered gunfire three times and six attacks this year and Japanese officials discussed measures to ensure safety in the area with Chinese officials in Beijing early this month.

General Discusses Military Armistice Commission

SK2907001693 Seoul KYONGHYANG SINMUN in Korean 27 Jul 93 p 2

[Interview with Major General Hwang Won-tak, chief of the UN delegation to the Military Armistice Commission, by correspondent Chong In-hwa—date and place not given]

[Text] "The fact that the armistice has been in effect for the past 40 years means that complete peace has not been achieved yet on the Korean peninsula. North Korea should return to the Military Armistice Commission [MAC] negotiating table as soon as possible and hold practical meetings to discuss ways to ease military tension."

On 25 March 1991, fifty-five-year-old Major General Hwang Won-tak, who graduated from the Military Academy's 18th class, was the first ROK general to be appointed chief of the UN delegation to the MAC. On 26 July, one day before the 40th anniversary of the Armistice Agreement, he expressed regret over the fact that not one round of the MAC talks has been held for two years and four months due to the North's refusal to hold the talks.

[Chong In-hwa] How do you define North Korea's attitude of not recognizing you as the chief delegate of the MAC?

[Hwang Won-tak] North Korea has been refusing the MAC talks since I was appointed chief of the UN delegation under the pretext that the ROK is not one of the parties concerned of the Armistice Agreement.

The Armistice Agreement was signed by Lieutenant General Harrison on behalf of General Clark, who was then general commander of the UN Forces. General Clark concluded the Armistice Agreement on behalf of all the forces that fought under the control of the UN Forces. The ROK was no doubt one of the parties concerned under the UN control. North Korea is ignoring the reality that the ROK Army is defending the DMZ. It should also abandon its attitude of disavowing the ROK Armed Forces and Government.

[Chong] There have been numerous instances in which the Armistice Agreement has been violated. Is the Armistice Agreement not a dead paper?

[Hwang] There have been 420,000 cases in which the Armistice Agreement has been violated, including over 90 cases of armed infiltration. On each occasion, the MAC immediately protested and took countermeasures. The exchange of prisoners of war is now a dead issue of the Armistice Agreement. However, the regulations on the operations of the MAC and the Neutral Nations Supervisory Commission are still in effect. The objective of the MAC's activities is not to counteract the violations made by North Korea but to deter a war.

[Chong] It seems that the Armistice Agreement itself needs to be changed.

[Hwang] I would rather not answer this question because it is a political issue. (Regarding this matter Major General Hwang wanted to quote his thesis, "Study on Changes of Security Environment and the Armistice Agreement Structure on the Korean Peninsula." In the thesis, Major General Hwang emphasized that on the premise that North Korea's threat is lessened, the Armistice Agreement structure should be transformed into the structure of the basic agreement between the South and the North. He also pointed out that the responsibility of armistice supervision should be transferred from the UN Command to the ROK Armed Forces so that eventually the Armistice Agreement can be abolished. However, Major General Hwang emphasized that it is important that North Korea shows signs of change in its attitude by giving up the tactic of communizing the South and its united front line tactic; that it opens up externally and internally; and that it promise not to attack again.)

[Chong] What is the reason behind the appointment of a ROK general as the chief delegate?

[Hwang] It is to transfer the leading defense role of the ROK, which the United States has been carrying out, to the ROK side. Among the initial steps are the appointment of a Korean as chief delegate of the MAC, the transfer of the command of the ground component forces to the ROK, and the retrieval of peace operational control by late 1994. As the chief delegate, I will make efforts to train professional personnel and accumulate expert knowledge to Koreanize the defense of the ROK.

DLP Fights Off Comparison With Japan's LDP

SK2907033693 Seoul YONHAP in English 29 Jul 0242 GMT 93

[Text] Seoul, July 29 (YONHAP)—Keen interest and assurance of steadiness in relations were the South Korean ruling camp's general reaction Thursday to political change in Japan. The Democratic Liberal Party (DLP) is, after all, modeled after Japan's Liberal Democratic Party (LDP), whose 38 years in power were ended with a shattering defeat in the general elections.

Trying hard not to be associated with the LDP's misfortune, DLP lawmakers stress that while the Japanese party refused reforms their party has initiated its own changes. But DLP antennaes were high, party Chairman Kim Chong-pil was briefed by former South Korean Ambassador to Japan O Chae-hui on the meaning of the Japanese political changes.

"Its the beginning of a long-predicted, across-the-board reform in Japanese politics," commented Rep. Kim Yun-hwan of the DLP, also Seoul-side chairman of the Korea-Japan Parliamentary Union. "I don't expect any significant changes in Seoul-Tokyo relations since the majority of the leading participants in the Japanese New Party are members of the Parliamentary Union," Kim said. "The new party has a firm stand on the North Korean nuclear problem, so there isn't likely to be any policy change."

Rep. Chong Sok-mo, adviser to the parliamentary union, agreed that the new camp will inherit the policies of the LDP, including the Japan-U.S. security agreement and Korea-Japan basic agreement. "But our past connections with the Parliamentary Union and friendship association were mostly with the LDP. Now we have to diversify the connections," he advised.

Rep. Pak Chong-su questioned how long the anti-LDP coalition would last considering its various partisan interests. But he, too, expected no change, pointing to the conservatism of Japanese citizens and the severe election loss of the Japanese Socialist Party.

Few Lawmakers Meet Requirement To Register Assets

SK2907073893 Seoul YONHAP in English 0642 GMT 29 Jul 93

[Text] Seoul, July 28 (YONHAP)—Just 27 lawmakers have registered their assets as of Thursday in the first 17 days of reporting under the revised public service ethics law, which obliges some 33,000 public officials to file reports of their properties with the government. National Assembly speaker Yi Man-sop was one of the first to register on July 13, and is among the 17 lawmakers from the ruling Democratic Liberal Party (DLP), seven from the Democratic Party, one from the New Political Reform Party, and two independents to have completed their duty. They account for under 10 percent of the total of 297 legislators, all of whom are subject to asset registration by Aug. 11 and publication of their reports in September. A secretary to Rep. Kim Chong-in, arrested in connection with the Tonghwa bank irregularities, reported Kim's assets Wednesday. He refused to say whether the figure was greater or less than the 1,770 million won that Kim disclosed earlier in the year.

Under the public service ethics law promulgated in June, public officials of grade four and above became subject to asset registration. Among them, 6,975 civil servants up to and including the president are obliged to bare their assets to the public.

Unlike the "voluntary" disclosures by lawmakers and officials of vice minister level and above in the spring, the reports are to be closely screened by the ethics committee of each government agency and the law provides for heavy punishment of anyone making a false report. The registration office is said to be busier answering telephone calls about procedures and details than actually receiving registrations. "We have more calls now than at the beginning. I guess there is a lot to consider before registering one's assets," an official at the office said.

Officials, Steel Exporters React to ITC Ruling

SK2907031693 Seoul THE KOREA HERALD in English 29 Jul 93 p 8

[Text] Local steel exporters and government officials yesterday reacted favorably to the U.S. International Trade Commission's [ITC] ruling that Korean-made hot-rolled sheet and plates have not damaged or endangered the American steel industry. But two other Korean steel products, cold-rolled sheets and galvanized iron sheets, were found to have caused industrial injury or threat. The ITC thus determined their antidumping and countervailing duties at 18.15 percent and 19.94 percent, respectively.

The U.S. independent trade watch-dog Tuesday ruled against imports from 16 countries for dumping steel on the domestic market below fair market value or providing subsidies. The trade commission, however, found no injury or threat in 42 of the 74 cases it handled.

A high-ranking official at the Ministry of Trade, Industry and Energy welcomed the ITC's no-injury ruling for Korean-made hot-rolled sheets and plates. He commented, "The trade commission made the no-injury ruling for the two items, taking into account UPI Co., a 50-50 joint venture between Pohang Iron and Steel Co. and the U.S. largest steel maker, USX."

Describing the ruling as an objective and fair one, the official noted that the action would reinforce not only smooth trade ties between Korea and the United States but also industrial cooperation between the two countries. POSCO has shipped its cold-rolled sheets, a major export item to the United States, through UPI.

The relationship between POSCO and UPI led the ITC to find no- injury ruling for the cold-rolled sheets, and lawmakers in California and steel makers had lobbying for the negative ruling, Korean government and steel officials said. As a result, temporary duties will be ended and money collected so far will be refunded with interest, they said.

POSCO officials said it is now possible for Korea's largest steel maker to continue its shipment of hot-rolled sheets and plates without a hitch following the ruling. Korea's export of cold-rolled sheets and galvanized iron sheets would remain affected the time being. Partial shipment could be resumed depending on the situation in the U.S. steel industry, the officials forecast. They emphasized the need for the conclusion of the Multisteel Agreement aimed at establishing a new order in the global steel industry.

Police Mobilization Likely at Hyundai Affiliates

SK2907040293 Seoul YONHAP in English 0256 GMT 29 Jul 93

[Text] Seoul, July 29 (YONHAP)—Both police mobilization and a lockout are likely at Hyundai Heavy Industries Co. on Friday without a breakthrough in its labor dispute Thursday. The Labor Ministry, pledging to end disputes at Hyundai affiliates this month, will officially announce that the union's 16 demands, which include reinstatement of fired workers and the withdrawal of disciplinary punishment of some workers, violate the law on labor disputes.

With such an interpretation by the ministry, the police will finish preparations to move in to arrest union representatives at the shipbuilding company for disturbing work. The ministry is said to have talked with related agencies on coping with the worst at the company. It expects unionists to get uneasy at a prolonged strike and to want a quick end so they can go on summer holiday, and become more sensitive to public criticism over their long struggle once police move in and their leaders are arrested. But it won't invoke its right to intervene and settle disputes as it did at Hyundai Motor Co., hoping to bring peace to the shipyard by arresting strike agitators.

Timed with the police raid, the company will begin a lockout. It was to close the plant Thursday, but delayed to allow further talks with the union. Prospects for a compromise are dim as the union's demand for reinstatement of fired workers, a 6.1-percent pay raise, and 24,000 won additional in allowances is far from the company offer.

Talks are under way in four other Hyundai affiliates in Ulsan, but many of them face lockouts without some progress on Thursday. Things are looking up at Hyundai Mipo Dockyard Co., where labor and management struck an agreement early in the morning.

The accord of a 4.7-percent pay raise, 17,000-won allowance rise, 100-percent to 148-percent bonus based on business achievement, 50-percent productivity incentive and 100,000 won allowance for the Chusok holiday has been put to a vote. Labor and management at Hyundai Construction Equipment and Hyundai Electrical Engineering are continuing talks, which are likely to determine whether there are lockouts or agreements.

Workers at Hyundai Wood Industries Co., on the third day of a lockout, were trying to enter the factory while union leaders were holding talks with management. Disputes at Hyundai Precision and Industry Co. in Changwon showed little improvement after the union reacted with anger to the company's refusal to revise its proposals. The company, urging the unionists to return to work first and then continue the pay talks, said it had nothing to add to its last offer, angering the union negotiators, who have repeatedly pressed the company to ask the prosecution to drop charges against five wanted union representatives.

Court Rules Dissolution of Kukje Group Illegal

SK2907032393 Seoul YONHAP in English 0220 GMT 29 Jul 93

[Text] Seoul, July 29 (YONHAP)—The Constitution Court ruled Thursday that the dissolution of the Kukje Business Group in 1985 by President Chon Tu-hwan's government was unconstitutional. The ruling, which reaffirmed the principle of constitutionalism, will have a far-reaching effect on Korean constitutional history as it laid down the rule that exercise of presidential authority has to be made within the framework of the Constitution.

Moreover, Yang Chong-mo, a former chairman of the group, will be able to reclaim management right of Kukje through a suit. If the group is revived, it is expected to have tremendous repercussions for the country's financial and business sectors. The Constitutional Court, in a full-session attended by all the justices, issued its landmark ruling in favor of an appeal by Yang, claiming that the dissolution of Kukje by the Chon administration was illegal and unjustifiable.

The suit, filed against the then-finance minister, sought legal redress for infringement on the right to private property through the exercise of government power. The court said the series of actions taken by the finance minister at the instruction of the president against the Kukje group were against the Constitution. The fact that the dissolution of the Kukje group in 1985 was carried out one-sidedly by the Chon government had already been established in 1988, when the National Assembly held a hearing on irregularities of the so-called fifth republic and by the 1989 announcement by the Supreme Court on the fifth republic's irregularities, the court said.

The Constitution prohibits nationalization or public ownership of a private enterprise unless the action is necessitated by an urgent situation arising for national defense or the national economy and it is allowed by law. Therefore, the court said, the government could not become involved in a business enterprise even if the intervention was aimed at helping reorganize an insolvent business unless it was allowed under the law.

Yang said that former Finance Minister Kim Man-chae announced a government policy to dissolve the Kukje group after 10 companies, including Hanil Synthetic Fiber Co., had acquired shares of the group, which was tottering on the brink of bankruptcy. Yang claimed that his group had become the "object of hate" by the Chon administration since it failed to contribute enough money to the government's pet rural development project. The group was forcibly dissolved, Yang said, adding that it was an unjustifiable exercise of government power and that therefore it was unconstitutional.

Business Community Welcomes Ruling

SK2907084693 Seoul YONHAP in English 0751 GMT 29 Jul 93

[Text] Seoul, July 29 (YONHAP)—Korea's business community has welcomed a ruling by the constitution court Thursday that the dissolution of the Kukje-ICC [expansion unknown] group in 1985 by President Chon Tu-hwan's Government was unconstitutional. It was significant, a spokesman for the Federation of Korean Industries (FKI) said, that an irrational measure violating the constitution, which had been possible only under an authoritarian regime, was clearly ruled unconstitutional by the court. Interference by the government in business management should disappear, he said. A senior FKI official said the business community was freed of a psychological burden on its activities by the ruling.

"Because it is a judicial issue, it is not a thing that the government will comment on, but as an individual, I don't think the dissolution was a good measure," a presidential spokesman said. He said that powerful men in Chon's Government had dissolved the group at their will, just as they disposed of other property after branding it illegally earned.

Meanwhile, many former employeees of the group telephoned the offices of the committee for Kukje reinstatement to express their excitement over the ruling and ask what the committee would do next. The committee, set up by former group chairman Yang Chong-mo and senior members of his staff in 1988, three years after Kukje's dissolution, appealed to the constitution court for a ruling on the constitutionality of the action in February 1989.

Yang had exerted himself only to revive the Kukje Group, a committee member said. "It is only natural that we shall start to rebuild the group now," he said. The committee would begin reconstruction of the group by trying to regain its shares in Kukje Corp. (formerly Kukje-ICC Corp.), Union Steel Manufacturing Co., Tongso Securities Co. and other former affiliates of the group, he said.

Most former staff members who did not belong to the committee were ready to participate in the reconstruction work, a committee official said. "Right will prevail in the end," he said. "We have been able to keep our resolution for eight years and five months for the reinstatement because we were sure the group would be reconstructed one day."

* Pressure Mounts To Reform Judicial System

932C0165A Seoul SISA JOURNAL in Korean 27 May 93 pp 36-37

[By Kim Sang-hyon]

[Excerpts] "The Ministry of Justice has lost its ability to correct itself [chajong nungyok]. Reform is impossible without taking a knife to it from the outside."

"Among all areas of our society, there is no place as clean and in which democracy has advanced as much as the Ministry of Justice."

Given the exact same Ministry of Justice, insiders' and outsiders' attitudes toward it are thus at opposite extremes.

On the second of this month, the media reported that the institution of a "Judicial Ethics Program" that would create a "Judicial Administration Reform Proposal" and implement it effectively was under consideration. Its main content of the proposal was reported to be as follows:

- Strengthen internal investigations into judicial improprieties;

- Correct the practice of special treatment for former judges;
- Regulate the entrance of lawyers into the offices of judges and limit individual contact;
- Make the Justices Council Meeting active and permanent; and
- Ensure that trials proceed according to case number, etc.

However, "This is inconsistent with the facts," said the Supreme Court concerning the media report, demanding a retraction. Justice M (38) of the Court Administrative Department's Planning Office revealed, "From the outset, there was nothing about investigations into judicial irregularities." He says that this was a misrepresentation of a plan to investigate the various problems that can arise in the periphery of the legal profession, with ordinary government workers, not judges, as its subjects. Of this announcement by the Supreme Court, one opposition attorney remarked cynically that it was just beating around the bush, avoiding the essence of reform. [passage omitted]

According to the Court Administration Department, the main department in control, beginning on the fifth, the Supreme Court sent four to five inspectors to each regional lower court to carry out a special investigation into discipline, performance of duties, etc. However, Justice P (38), of the Kwangju District Court, said that he had no idea what it was that was being investigated. "I asked someone associated with the investigation, 'What about these judges are you investigating?' He answered, 'We're checking on the times they come to work.' What does being five minutes late for work have to do with judicial reform?" Justice P countered.

According to the common pessimistic view, even though the Supreme Court adopts measures in keeping with the Judicial Reform Proposal, it will not be able to bear fruit befitting the name. "Looking into the Supreme Court's Judicial Reform Proposal, I'm suspicious of whether or not its intention is only mimic reform, conscious of the fierce winds of recent circumstance," said Professor Chong Chong-sop (Konguk University Law Department). Professor Kwon, while pointing out that the claim that they are going to control attorney access to the judges' offices was a trick that was already used 20 years ago, said, "The very idea that by merely blocking the lawyers' entrance into the judge's office you will be able to break the business relationship between them is ludicrous." However, the Court Administration Department insists that this measure will have a substantial effect in cutting off the immoral relationship between judge and lawyer which has been suspected by the people for a long time. Comparing this measure to putting up a wire fence around a body of water to prevent a child from drowning, one person in charge said, "Not only will it be able to block the illegal business relationships between lawyers and judges, it will make them easier to identify." "There have been many times when I've been hindered in my duties by lawyers coming at all hours to see me. Whether or not it will have any substantial effect, I welcome it," said Justice K (30) of the Seoul District Civil Court.

Lawyers are generally showing a displeased response to this measure. "There are more situations in which a lawyer must go to see the judge because it is absolutely necessary for the performance of his duties. It is regrettable that this seems to have been exaggerated to look like the only reason lawyers go to the judge's office is to carry on their immoral transactions," said lawyer Mun Kyong-han (35), who stirred up a big controversy by his article, "Oh Lawyers! Be Ashamed," published in the INCHON POPCHO [INCHON LEGAL PROFESSION].

Included in the Judicial Reform Proposal presented by the Supreme Court is a portion saying that the court will make the Justices Council permanent. It is an unannounced plan that would allow even ordinary judges to participate in judicial administration through a justices council based on their duties and through a justices council moderated by the chief justice. Problems such as how much to have judges participate in ordinary administrative work and what functions and authority to give the Justices Council have not yet been discussed. "Because the actual circumstances of each court are different, we plan to decide on a rational administrative scheme after a month of experimentation," announced on Court Administration Department source. However, it is reported that there is opposition in the upper levels of the court, some saying that meetings already held when the chief justice occasionally has dinner or gathers for tea with the other judges, and that there is no need to have another, separate, meeting.

The Supreme Court's Judicial Reform Proposal "is no more than a gesture brought on by the thought that reform is progressing in every area of society and that the Ministry of Justice must at least mimic this since, if it does not, it will become the object of the Korean people's anger," criticized Justice P of the Kwangju District Court. Concerning the part of the proposal which says that the court will reform the practice of giving special treatment to former judges, there are even people who say, "There is no problem with it, but it was included only because there is such an outcry against the injustice of the practice." The official position of the court on the special treatment of former judges is, "There is no way that such a practice can exist." "I don't know whether there is special treatment of former judges or not. But with over one thousand judges, is it possible for there not to be a problem?" asked Justice M of the Court Administration Department.

Among reformist lawyers, opposition personalities, and law professors there are no dissenting opinions on the position that the departure point for judicial reform is the discipline of the upper levels of the judiciary. "There are clearly voices calling for reform within the court. The upper levels of the court do not accept this. We must first purge non-reformist and anti-reformist personalities," insists Professor Chong Chong-sop. He added, "The best thing is for political judges to understand on their own that they do not fit in the new era and voluntarily retire. If not, then an external government authority, such as the Attorney-General, cannot help but get involved."

"Among the court's upper levels, such as 5th Republic personalities who participated in the Committee for National Security [Kukboui], there are many who will be the subjects of reform. The attitude of the Ministry of Justice during the recent publication of government employee assets clearly shows its anti-reformist nature. It is a problem if the independence of the Ministry of Justice is misunderstood as total non-interference. We cannot view the gaining a national consensus and the replacement of people who go against the times as an infringement of its independence," says one Inha University Law School Professor. One person at the Ministry of Justice countered, "That kind of irresponsible talk is a problem. Are there no 5th Republic personalities in academic circles or in the media?" He also revealed that there are no concrete plans for personnel actions in the Judicial Reform Proposal.

One justice at the Seoul District Court says, "The irregularities in personnel actions, discrimination based on blood relations or on whether one belongs to the Administration Department Faction or the Non-Administration Department Faction, are also a serious problem." He compares the justices working in the Court Administration Department with members of the military's Hanahoe [a private organization within the military which is said to have abused power since it was formed by Chon Tu-hwan, etc., in the 1960's]. He says that appointments and the transfer of key Administration Department positions among themselves is common practice. "There are rumors circulating that, about the time Judicial Research Institute courses are completed, 'informal decisions are made putting people in certain positions because of certain relationships to high-level justices in the Supreme Court.' Generally, the rumors appear to be true," he insists. The only item on judicial appointments is found in article 44 of Court Organization Law (the appointment of judges is carried out by the Chief Justice of the Supreme Court). He says that there is no way to know the process by which someone is appointed.

Professor Chong Chong-sop says that it is important for those judges, professors, and media personalities aware of judicial problems to develop a system of mutual assistance and expose the reality of judicial corruption. He says that they must obtain a national consensus on the need for judicial reform by making a detailed exposure of irrationality and corruption in legal circles.

In an article entitled, "The Legal Task in an Era of Reform," to be published in the June edition of LAW AND SOCIETY [POB KWA SAHWE], Justice Kim Chong-hun (36), sole judge at the Seoul Western District Civil Court One, wrote, "If the Ministry of Justice is lazy in its reform efforts, it will bring on even greater sacrifices." He published this in LAW AND SOCIETY after being rejected by the LEGAL NEWS [POMNYUL SHINMUN]. As long as the Ministry of Justice does not begin the work of reform on its own, Justice Kim's words may come true.

It may not be appropriate to discuss the limitations of the Judicial Reform Proposal set forth by the Supreme Court even before the definite work comes out. However, it appears that the Supreme Court will have to listen carefully to the voices coming from both inside and outside of legal circles: "It must not stop at adopting a few measures for display purposes, but must carry out fundamental reform."

* Young Judges Organize Reform Group

932C0170A Seoul CHUGAN CHOSON in Korean 24 Jun 93 pp 24-25

[By correspondent U Chong-chang]

[Text] What is tentatively named a Conference of Single Judges is emerging as "the eye of the typhoon" in the judiciary reform move. The group, formed in early May at the initiative of 40-odd judges of the Seoul District civil court [SDCC], is a voluntary, permanent organization of young judges dedicated to reform of the judicature on a sustained basis. Its official name and chairman are yet to be picked and there are no decisions officially adopted as yet on the nature and program of this group.

Nevertheless, amid the ongoing reform turmoil involving the judiciary system, the top echelons of the judicature are most nervous about the group's moves. The group is made up by judges "35 to 40 years of age with their record of service as judge between seven and 12 years." The reason their moves are attracting particular attention is that the judges involved are relatively many in number when compared with their colleagues in other courts and that they are united and vigorous in their calls for reform.

When they decided to form the group, it was not an arbitrary move. The decision came as part of a natural course of events when the Supreme Court asked all the judges about their views on reform. At a time when reforms are under way nationwide, the Supreme Court, respecting the view of justices that there should be reform within the judicature too, called the presidents of the courts throughout the country to a meeting on 3 May, at which it presented a six-point reform plan, asking all the judges about their views.

A problem occurred in the process, however. The six points were: abolishing the privileges of the former office traditionally granted ex-judges, limiting visits to the judge's office by defense attorneys, establishing institutionally the conference of judges, improving the position classification system concerning judges, paying consideration for the parties in lawsuits with no defense lawyers, and cracking down on absurdities and irregularities. The plan, however, gave the impression as if the first two—dealing with treatment for ex-judges and visits to the judge's office by defense lawyers—were the top priorities in the required reform.

The SDCC single judges held their first meeting on 14 May and reached agreement that what the Supreme Court listed as the central issues were actually trifle, side issues, and that if judges should discuss genuine reform of the judicature, they must begin with their reflection on and examination of what had led to the need for reform. They also agreed that a sustained pursuit of such reform calls for some energetic meetings. All this led to the birth of the Conference of Single Judges.

The group is led by the two judges, Pak Si-hwan and Pak Tae-tong, who were appointed its secretaries. Pak Si-hwan, 40, is a native of Kimhae, South Kyongsang Province, and graduate of Kyonggi High School and the Seoul National University [SNU] law school. After passing the 21st state law examination in 1979, he became a judge in 1982 and has since served in the Inchon and Chunchon district courts, the Yongwol branch court, and the Seoul District Court.

Judge Pak Tae-tong, 40, is a native of Taegu and graduate of Taegu High School and the SNU law school. After passing the 23d state law examination in 1981, he served in the Suwon District Court, the Songnam branch court,, the Seoul District Criminal Court and the Chongju branch court. Pak Si-hwan and Pak Tae-tong are young and have respectively served 11 years and 10 years as judges.

In their several rounds of meetings, the SDCC single judges maintained that "reform of the judicature is an issue that should not be swayed by any outside wind and, as such, requires keen awareness on our part that we ourselves are the objects, as well as the subjects, of reform. Under the present circumstances in which the administration of justice seems to be being infected with functionalism, there is the danger of the image of the judicature itself being soiled unless we awake to our responsibilities. We must therefore listen humbly to the dormant voice within ourselves."

The Conference of Single Judges ran into trouble with the top echelons of the judicature, however. The first conflict came on 17 May. At a meeting held to hear views on reform, chaired by Yi Won-pae, SDCC president, the single judges insisted that in order for the judicature to be born again, issues such as improvement in personnel management system, adoption of a unified ranking system, democratization of the conduct of the judiciary conferences, and clarification and reevaluation of shameful judicial precedents should be taken up as priority tasks. Later, they committed details of the discussion at that meeting to writing.

Meanwhile, of the variety of proposals made by the single judges on that day, it was erroneously reported that the key point had been a call for atonement for the past, that they insisted that "there should be self- examination on past cases that had negatively affected the image of the judicature."

Alarmed at the development, more than 10 SDCC senior judges met separately and criticized the behavior of the young judges. They charged that although they are sympathetic with their will for reform, their act in issuing a statement of proposal on an internal matter in media caused the public's distrust in the judicial system. The top echelons of the judicature seemed to view the Conference of Single Judges as "the-lower-dominating-the-upper-type forum to attack senior judges" or even as "a campaign to force the Supreme Court chief justice into retirement."

As the judicature reform issue was viewed as a conflict between senior and junior judges, the single judges conceded that it was wrong that the view of some judges had been exaggerated in the reported version as if it had been an opinion of all the judges. And they deleted from the official version of their statement of proposal the portion concerning atonement for the past. This then gave rise to rumors that the upper echelons put pressure on the young judges and their will for reform.

The single judges have since met three times to review their position, putting forth, as priority tasks, roughly these three: a checking device on the right of personnel management exercised by the chief justice of the Supreme Court, a scheme to prevent bureaucratization of the judicature. an institutional program to promote democratization of day-to-day operations of the judicature.

Of the three, the single judges noted, as the most urgent task, the need to correct the present system of personnel management conducted arbitrarily by the chief justice of the Supreme Court. Article 44 of the Court of Justice Organization Law stipulates that "judges shall be appointed by the chief justice of the Supreme Court." The provision, however, lacks a checking device on the exercise of the right of personnel management by the Supreme Court chief justice, a fact said to be causing feelings of uneasiness among judges over their job security.

A judge said: "Inasmuch as personnel changes concerning judges are made on the basis of seniority, they all know perfectly when their turn is due. As far as promotions up to district court senior judgeship are concerned, they are routine and almost no instances of failure, and so there are no problems. However, at the time of promotion from district court senior judgeship to higher court senior judgeship, about one third of eligible judges are left out, in most cases uninformed of the reasons. Higher court senior judgeship, equivalent in grade to vice ministers in the cabinet, is granted to the selected judges with 20 years or longer service. Those who fail to make the promotion have to retire from the bench at a time when they are still in the prime of life, because of criteria that are not clear-cut. That is why judges would always try to read the minds of upper-level authorities. As they climb the ladder of seniority, therefore, they become psychologically dispirited, hesitative and unable to rule with confidence."

The single judges contend that to properly embody the spirit of the constitution that "judges shall be guided only by their conscience and laws and judge independently," there is a need for a checking system on the exercise of the right of personnel management by the chief justice of the Supreme Court. They argue that the present personnel committee, existing in name only as an advisory body for the chief justice on personnel matters, should be made a body having a vote, and that members of the committee should be selected by the permanent judiciary council to ensure fairness.

Also, maintaining that the bureaucratization of the judiciary is due to the position-classification and promotion systems concerning judges, they suggested that the systems be revised appropriately or scrapped in favor of a unified grade-based pay system. At the same time, judges should be guaranteed, they insisted, a climate in which they can work with no anxiety, and regardless of promotions, until they reach the retirement age.

With regard to democratization of day-to-day operations of the judicature, many are reportedly of the opinion that it is necessary to prevent the president of the court or the branch court from presiding over the conference of judges. While portraying their proposals as offering "an outlook on the direction of reform rather than any specific alternatives," the single judges demanded that "the wisdom of each and every judge be sought and put together so that a consensus can be reached through a democratic, rational process."

They decided to hold their fourth meeting on 14 June and try to further consolidate their demands. Meanwhile, the top echelons of the judicature continue to call in the secretaries of the group and ask them to ensure that internal judiciary matters are not leaked to outside interests. While expressing hopes that their proposals will be accepted, members of the group said that, "there is no decision we have made" on what to do in case they are turned down.

At any rate, the judicature is evidently in the internal throes of reform. The outcome is likely to surface in about August.

Brunei, Malaysia & Singapore

Malaysia

PLO's 'Arafat Arrives, To Hold Talks With Mahathir

BK2807074393 Kuala Lumpur Voice of Malaysia in English 0600 GMT 28 Jul 93

[Text] The president of the state of Palestine, Mr Yasir 'Arafat, has arrived in Kuala Lumpur for a three-day working visit. He is accompanied by a six-member delegation, including two of his ministers. During the visit he will hold talks with Datuk Sri Dr Mahathir and they are expected to discuss matters relating to bilateral, regional and international issues of mutual interest.

Mr 'Arafat will also give a talk on the latest development of the peace process in West Asia at the National Institute of Public Administration tomorrow.

He was received on his arrival by Domestic Trade and Consumer Affairs Minister, Datuk Haji Abu Hasan Omar, the Deputy Foreign Affairs Minister, Datuk Dr Abdullah Fadzil Che Wan, the Palestinian ambassador in Malaysia, Ahmad al-Farra and ambassadors from some OIC [Organization of the Islamic Conference] member countries based in Malaysia. Mr al-Farra later told newsmen that Mr 'Arafat would like to brief Malaysia about the latest situation in West Asia as it concerns about the Arab-Israeli conflict.

The UN Security Council had discussed asbout the upsurge in violence in southern Lebanon but took no formal action on the matter. The council was expected to adopt a presidential declaration rather than a resolution. The council's president, Sir David Hannay of Britain said the council also was expected to extend the madate of the UN peacekeepers in Lebanon for another six months.

Mahathir, 'Arafat Hold Private Talks

BK2807141693 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 28 Jul 93

[Text] Datuk Sri Dr. Mahathir Mohamed has assured Palestine Liberation Organization, PLO, Chairman Yasir 'Arafat that Malaysia wil continue to support the PLO in its struggle against Israel. The prime minister said he gave the assurance because Malaysia sympathises with the organization and is sad that many Palestinians were killed during the intifadah.

He told reporters this after a one on one meeting with Mr. 'Arafat which lasted almost two hours in his office in the Prime Minister's Department, Kuala Lumpur. The prime minister said that although the PLO was now under pressure, Mr. 'Arafat said the PLO will not back down and will continue with its struggle to oppose Israel.

Asked about suggestions that he made to the president of the state of Palestine, Datuk Sri Dr. Mahathir said that he proposed that ways be found to continue negotiations to give due fairness to the Palestinians. He said such efforts should be made because based on the present talks, there was actually no place for the Palestinians. The prime minister said Mr. 'Arafat also gave him a copy of the peace proposals and showed him how negotiations will not be based on United Nations resolutions. Mr. 'Arafat said the PLO was willing to continue with the talks, but not on the basis proposed by Israel and the United States as it was different from what had been decided by the UN.

'Arafat Appeals to NAM

BK2907070893 Kuala Lumpur Voice of Malaysia in English 0600 GMT 29 Jul 93

[Text] Mr Yasir 'Arafat today appealed to the Non-aligned Movement, NAM, for continued support for its struggle against the Tel Aviv regime's aggression. He said the PLO required whatever help—politicial and financial—to pursue its struggle. He conveyed the appeal to the 19 representatives of NAM countries in Kuala Lumpur.

Malaysia was represented at the meeting by the Deputy Minister of Foreign Affairs, Datuk Dr Abdullah Fadzil Che Wan, who is also the minister-in-attendance to the visiting PLO leader. Mr 'Arafat hoped NAM countries would provide help in order to safeguard the future of the Palestinians and the PLO.

On the latest aggression in South Lebanon, Mr 'Arafat said the Tel Aviv regime totally ignored world appeal and the United Nations and continued to act as it wishes. What was regrettable was the United States' silence and apparent support for the Israeli action. He told the NAM meeting that he instructed the PLO ambassador in New York last night to raise the matter at the UN Security Council and urge it to seek a way put a stop to the regime's attacks.

He would also be communicating with Indonesian President Suharto, the NAM chairman, as soon as possible to seek his counsel and good office to put an end to the aggression. Whether NAM would persuade the UN Security Council to convene an emergency session to discuss the attacks depended on 'Arafat's talks with Suharto.

Datuk Dr Fadzil said Malaysia would support any proposal by Mr 'Arafat to seek a special session of the council.

Information Minister Rebukes Foreign Press

BK2807133493 Kuala Lumpur NEW STRAITS TIMES in English 27 Jul 93 p 4

[Text] Kuala Lumpur, Mon—UMNO [United Malays National Organization] secretary-general said today the foreign Press had been making unnecessary speculation about the coming party polls based on incorrect information.

"We don't need the foreign Press to tell us about our politics. UMNO members know what they are doing and they are also capable of solving whatever problems they have without outside interference.

"The way I see it, the foreign Press is only interested in creating problems for Malaysia as they are jealous of our unity and strength," he said.

Speaking to reporters at Parliament House he said, the least that the foreign Press should have done was to try to get the correct information before making such wild speculation.

Mohamed [Rahmat] was commenting on a recent REUTER report that a contest for UMNO deputy presidency would split the party.

He said if the foreign reporters were interested in getting the correct information about the working of the party, UMNO would be willing to help them file more objective reports.

Mohamed, who is also Information Minister, reminded UMNO members not to be taken in by such reports and continue to give priority to party's unity above everything alse.

Commentary Welcomes Pledges of Support for Cambodia

BK2807162993 Kuala Lumpur Voice of Malaysia in English 0800 GMT 28 Jul 93

[Station commentary]

[Text] There is new hope for the survival of the Cambodian nation with pledges of support coming from various sources, including the big powers—mainly the United States, Japan, and the European Community [EC]. The promises were made during the ASEAN postministerial conference between ASEAN and its seven dialogue partners held in Singapore.

The pledges constitute a recognition of the plight of the ASEAN people on the poor state of that country's economy after years of civil strife and guerrilla warfare.

It was truly refreshing to hear U.S. Secretary of State Warren Christopher expressing his country's firm commitment to continue to help in the difficult task of rebuilding Cambodia. Providing the Cambodian people with a bright future is what is envisaged by the U.S. At the dialogue sessions, the secretary of state acknowledged the pivotal roles that ASEAN had played in its attempts to bring peace to Cambodia, whose people have been inflicted with such great misery and hardship for so long a period of time.

Japan was assertive in stressing the need to maintain peace and achieve prosperity for the whole of the Indochina region. This should be the hope and aim of the international community. Japanese Foreign Minister Kabun Muto said his country would assemble all international efforts to help in rebuilding of Cambodia. What Cambodia needs for its stability is a lot of financial assistance. In this context, Japan has decided to pledge US$ 4 million to the Cambodian Interim Government to help in the administration of the country and improve its food production. Further, it will contribute US$15 million to the United Nations High Commissioner For Refugees to help in the relocation of Indochinese refugees. These pledges are most heartening and will be most welcomed.

Speaking on behalf of the European Community, EC, was Belgium's foreign minister. He has promised that the grouping will continue to aid Cambodia. He was right in stating the EC has a future role based on full respect for Cambodia's sovereignty. Europe cannot abandon a country that is in despair and in economic shambles.

The same sentiments were expressed by New Zealand's Foreign Minister Don McKinnon. All countries which were sincere in helping Cambodia have the obligation to do their part in ensuring that peace was restored in that country. Also joining in the support for Cambodia was South Korean foreign minister. He said that Cambodia's integration to regional, political, and economic order along with its progress in domestic stability would contribute to the peace and prosperity of the Southeast Asian region.

Singapore

Editorial Hails Importance of ASEAN Meeting

BK2807105693 Singapore THE STRAITS TIMES in English 27 Jul 93 p 26

[Editorial: "This secures future growth"]

[Text] When planners and politicians raise expectations about a Pacific Age—the most spectacular economic expansion in modern times, a renaissance of Eastern thought and culture and so forth—there is usually a rider. That is, whether peaceable conditions can prevail long enough for funds, energy, and ideas to replicate the Japanese miracle in China, Indochina, and Southeast Asia. Only then could it be claimed that the centre of gravity in economic output and with it, humanistic influence, will have begun to shift from West to East after 500 years of European, then American, domination. There is no gain saying that conflict diverts attention and scarce resources. While one should not be alarmist about trouble spots in Asia and their potential to hold back the region's modernisation, enough tension gets generated from time to time which warns that a great tragedy could be wrought if Asia's historic resurgence were stymied because governments were suspicious of each other's intentions. Asia might not get another chance of a breakthrough. Any of these can upset the calculations: North Korea's nuclear ambitions, China's claim to the Spratlys, the Russia-Japan standoff over the Kurile islands, Cambodia. The Americans' harping about China's human rights behaviour, and their increasingly strident dispute with Japan over market access, can progress beyond ill-tempered exchanges. But so far, so good, largely because of regular contact which the annual ASEAN ministerial meeting affords. This is why Sunday night's dinner party in Singapore, at which the foreign ministers of 18 countries set their imprimatur on an informal security framework for the Pacific Rim, will stand as a landmark occasion.

ASEAN deserves the credit. After the resolution of the Indochina troubles, Western governments were wont to downgrade Asean's importance, likening it to a talk-shop. But mark this: ASEAN remains the only regional grouping with the credibility to bring East-West antagonists together. Having accomplished the feat of fashioning a regional order for the Pacific Rim so essential with the end of the Cold War, its stock in world forums can only rise. The United States' commitment is unshaken despite worries of a military disengagement in Asia. Without being uncharitable, this serves its economic and strategic interests. Its resolve had been signalled when President Bill Clinton said, in his Seoul speech outlining his Asia policy, that joining in a regional security dialogue was an integral element.

But bringing in Russia and China, and to a lesser extent Vietnam, has been a master stroke. This provides insurance against whatever uncertainties and animosities that may develop in the years ahead as these countries, together with Japan, compete for economic and diplomatic primacy. The ASEAN Regional Forum (ARF), the form the security dialogue arrangement will take, is to be inaugurated in Bangkok next year. But already, one has seen demonstrated in Singapore in the past four days of meetings and contact between the ASEAN Six and its dialogue partners and guests, the worth of preventive diplomacy which the ARF embodies. China's Foreign Minister Qian Qichen, the man in the spotlight because his country will power the Pacific century took the precaution of restating China's peaceful intentions. "China will not constitute any potential or real threat," he said. While reassuring, fulfilment could come only if China accepts the Treaty of Amity and Cooperation, the guarantee of honorable intentions. ASEAN must press Beijing on this.

Although designed purely as a consultative vehicle, this development is possibly the most important attempt at conflict containment since the North Atlantic Treaty Organisation was set up after the last war as a bulwark against Soviet expansion in Europe. Whereas NATO's work is done, the ARF now stands guarantee against accidental war in what will soon be the most important part of the changed world.

Bilateral Trade With Indonesia Reported

BK2807130293 Singapore THE STRAITS TIMES in English 27 Jul 93 p 36

[By Phua Kok Kim]

[Text] Indonesia's two-way trade with Singapore grew by one-fifth to almost U.S. $5 billion last year, boosted by a jump in its exports to the republic, according to official Indonesian statistics.

The powerful surge in Indonesia's exports coupled with a decline in its imports from Singapore, gave the island archipelago its largest trade surplus with the republic in 13 years.

Last year's fall in Indonesia's imports from the republic was also the first since 1988.

This trend was disclosed by Indonesian Central Bureau of Statistics data, carried in an article in the latest Singapore International Chamber of Commerce (SICC) annual report released yesterday. (Singapore does not publish official statistics on its trade with Indonesia.)

The Indonesian data showed that last year, bilateral trade went up by 21.3 percent to U.S. $4.98 billion. The boost came from a 37.5 percent jump in Indonesia's exports, especially of food products, cosmetics, textiles, transport equipment, and garments.

But its imports from Singapore dipped by 1.6 percent with lower purchases of petroleum products, plastics, and machinery.

As a result, Indonesia's trade surplus with the republic—exports less imports—reached U.S. $1.64 billion, the highest level since 1981.

The SICC however cautioned in the article that the two countries differ in the way they compute trade.

Also, the Indonesian figures are based only on customs declarations. They do not take into account barter trade.

Last year's bilateral trade growth was however lower than the 29.4-percent expansion achieved in 1991.

The SICC noted that with growing industrialisation in Indonesia, there has also been a shift in the types of good traded.

Singapore was increasingly exporting more machinery/transport equipment and consumer goods there, as well as technological know-how and capital.

The SICC said Indonesian data also showed that Singapore was Indonesia's seventh largest foreign investor in terms of value of cumulative investments.

From 1967 to July last year, this amounted to U.S. $1.9 billion, in activities such as construction, hotel development, and production of electronics products and chemicals.

Cambodia

Ranariddh Speaks to Press Editors

BK2907085993 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 27 Jul 93

[Speech by Prince Norodom Ranariddh, cochairman of the Provisional National Government of Cambodia, at a get-together with editors of Cambodian newspapers held at his residence in Phnom Penh on 27 July—recorded; italicized words in French]

[Text] Excellencies, madames, ladies, and gentlemen who are representatives of our national press: My purpose in meeting you today is not to give a press conference or anything. But after and before the election or during the election campaign, I met and had contacts only with the international press representatives. I was unable and had no time to talk to you who are the representatives of our national press. Therefore, after the formation of the Provisional National Government of Cambodia [PNGC], I think that as the cochairman of our PNGC I should establish close relations with all of you from our national press. We should also pay attention to and take care of our national press because it seems that our compatriots love reading the local newspapers. I am not going to say which ones are more popular than the others. Let us just say that you are all equally popular.

Therefore, in my capacity as the cochairman, I am greatly moved and very happy today to receive all of you who kindly come to visit me at my residence. It shows that this is an unofficial get-together and not a press conference because otherwise, I would have to go to the Council of Ministers' office. So, we are seeing each other at home because we are Cambodian countrymen. Moreover, I believe that you, ladies and gentlemen, also wish to be informed of some national issues under the current circumstances.

First of all, I would like all of you, ladies and gentlemen, to please understand this new government which is a coalition government of national unity and reconciliation established following the election. Please, have sympathy for it. I would like to stress to you that we have announced—as our august Prince Father has said time and again—that Cambodia is a multipartite liberal democratic country. Being liberal democratic means not only being free to adhere to any political doctrine but also respecting human rights and the right of each citizen to express his opinions, his ideas.

There are many legal bases, but the principal one rests within the framework of the parliament in which the representatives of the people called the people's deputies must have sufficient freedom to express their wishes and opinions freely within the law. This is the Constituent Assembly which will soon become the People's Representative Assembly. Another legal base rests within the framework of the press. We have no plan whatsoever to do anything or to make any law to eliminate the legitimate right to express the views and opinions on important issues, or concerning the living conditions of the people, or concerning important national matters. Therefore, I would like to inform you that as for myself, I will provide you with all the facilities to continue expressing your opinions. We are practicing, experimenting, and taking a new step into a system called liberal democracy. Therefore, ladies and gentlemen, you should not worry or be suspicious of anything regarding this important point.

As for the international press, we should avoid getting ourselves on their so-called blacklist [preceding word repeated in French]. However, with regard to the governments in the developed countries in Europe and America, they have, although unofficially, a so-called *code of conduct*. To tell you the truth, I do not know what this *code of conduct* is all about, for I have noticed that our Cambodian people love reading our local newspapers. Therefore, you are better placed to know your own duty and obligation. I am not trying to preach to you. Please just take it as a suggestion. What I would like to suggest here is the duty to educate. This special mission is to educate our compatriots who have gone through many different regimes; to give them education on national culture, on something that our Cambodians used to be known as a people of good race, honest and loyal. Thus, I would like to call on all of you to use words, to use a language that accords with the nature of all of us Cambodians who are the descendants of the builders of Angkor Wat. Within the framework of this language worthy of the offspring of the Angkor builders, within the framework of this Cambodian culture, there must be 100 percent freedom of expression. That is one thing I would like to ask from you.

Another point is that under the current difficult circumstances, you must know it better than I that the new government has to deal with many priority problems. Once I was asked what do you mean by priorities. I said that everything seems to be a priority. It is so difficult and complex. Thus, under such circumstances, please be kind to understand and help the government in creating constructive ideas, in giving education on constructive ideas. Sometimes, I am too busy and cannot hear all our people want to say to me. I even have shortcomings with regard to the FUNCINPEC [National United Front for an Independent, Neutral, peaceful, and Cooperative Cambodia] members. Therefore, if you have pity for me, please raise the question of national problems, the problems of national survival, the problems that all Cambodians are worried about—their livelihood, the survival of their nation. Please mention them in your newspapers. It will be an illumination, an enlightenment for me. I would like to make an earnest plea that after analysing the nature of national problems, it would be even better if you also give opinions on how to solve them. It should be in the manner of constructive criticism [preceding two words repeated in French]. This second point is very important—educating the compatriots, examining the concrete conditions that affect the life of our nation and that of our people, and giving advice to the government in the form of constructive criticism. This is just a request. That is the second request.

AKP is no longer called SPK which is to be known as AKP—Agence Khmere de Presse—as in the past. But this AKP is an *organ* of the government and it is difficult for it to present any news against the government. So, only what we call the private press remains capable of enlightening everything, including things concerning my person. And I insist on that point.

Third, I ask you to support this government, at least for the time being. How could you support it? I have noticed that when for example I myself or H.E. Hun Sen come out in public, we usually are mobbed by a legion of journalists. We have great difficulty dodging the cameras and microphones. And we are representatives of Cambodia. Why don't you request an interview and give us a questionnaire? This is the kind of support I wish to get from you, if you do not mind. If you have questions, please ask us beforehand either in writing or through letters. You might ask me or any of the ministers of FUNCINPEC party, the Cambodian People's Party, the Buddhist Liberal Democratic Party, and so on whether we are afraid. Of course, we are not. But you need to understand us first in order to support us. If you do not understand, you cannot give us support.

For example, I have heard charges that the new ministers of FUNCINPEC are busy with nothing else but finding cars and houses for themselves. I ask you this: After this audience if you are free please go take a look at the house of the FUNCINPEC ministers. They pile up in my house. H.E. Ing Kiet et al are piling up in my house. They have not yet found any house for themselves, gentlemen. As for the cars in question, let me tell you frankly here that the former State of Cambodia [SOC] informed us that there were 19 405-model cars given by France for us to divide among ourselves. I did not dare let these cars be distributed to my people. No, it is not the case of Ranariddh himself already having a car and not wanting to give them to others. I just want to safeguard them. But then again one party just took three cars away and some deputy ministers from some other parties drove a few others away. Furthermore, the ministers of the former SOC even own three houses each while we are piling up in just one house. No, I am not envious. I only want to make it clear. And moreover, the ministers are using state-owned cars.

Concerning the houses, in the past we used to have this kind of *official residences or houses*. Because one is a minister, the state provides him with living quarters. This means that once he is no longer a minister, he must hand back the house. And yet, even that kind of house is still not available. There are charges that one of my ministers is busy with nothing but finding a house. The truth is he really is finding a house because this one is given to me and we are sharing it. I think it is preferable not to own any at all. This one follows me everywhere, even when I go to the bathroom. It is true that they are looking for houses. But many things are not interrelated at all. This kind of thing breeds misunderstanding. Therefore, my third point is to ask you for sympathy and support through contacts. Ask for an audience with me if necessary. When I cannot receive you, I will tell you frankly that I am busy and I will tell you that cordially. I will keep close contacts with all of you who are representatives of our Cambodian national press. We need the entire national opinion. So, that is the third idea about which I wish to inform you, and I ask you to be understanding.

Now let us deal with the fourth point. Our august Prince Father signed a royal decree appointing the government on 2 July. Our government is thus less than a month old. So, I beg of you to have pity for us in the government. We have so many problems to solve. Some of you have said that certain areas had electricity before the formation of the new government but since then they have been in darkness. This morning when the Council of Ministers was discussing the power supply issue there was a blackout right at the meeting place itself. The minister of energy was explaining that there were three or four priorities, the first being the Council of Ministers office, the second the Royal Palace, the third the water works and power plants, and the fourth the hospitals. And the first priority area itself was hit by a blackout. So, you should have pity for us. We are doing our best. You should use your good judgment. I do not mean that you should not express your opinion. On the contrary, I propose that if you understand the problems and have any positive suggestions please help us, please give us a constructive assistance. I earnestly beg you to do that.

Now, let us stop talking about my requests. Let us get onto another stage. I also wish to inform you of the nation's problems. As the Prince Father said in his arbor day speech, what the government needs to solve are basic problems, problems that are the most difficult and ordinary. I am sure you have listened to the Voice of America and the BBC. Is it not true that they rarely mention Cambodia nowadays? In my opinion, their not talking about Cambodia is a good sign. It means that we have entered the stage of normalcy. We no longer make news, unlike Bosnia, Somalia, and other places. When they do not mention us, it means that we have become normal. This does not mean that there are no problems. We still have problems and the first among them that we must immediately solve is the security problem. We have not yet succeeded in solving this security problem at all. Our brothers are making great efforts in this field. However, the security problem in the capital as well as that in the countryside concerning robbery cases and affecting the property and lives of our innocent people remains unsolved.

It is a priority for this government to continue tackling this security problem. Nevertheless, you should be informed that we are undertaking the merger of the armed forces and police of the three factions into a single national army and police. This is a difficult task. We have not yet achieved this enterprise. You may have noticed that even H.E. Ke Kimyan and H.E. Nut Bunchhay are wearing different uniforms. We have failed even to solve the issue of uniforms. Surely, they must still have different views. So far, nothing substantial about unifying the army has been achieved. Concerning the question of ranks, for example, H.E. Ke Kimyan has asked what can we do about the different concept of military ranks. The former SOC has the senior lieutenant general rank, which my side does not have. For us, the rank of lieutenant general comes before that of the general. So, should we demote or should we promote the senior lieutenant general? This is a headache. Moreover, on our side a general has three stars but on the side of the former SoC he has four stars. Just this kind of question gives us a headache when we try to solve it, for we have more than 400 general-rank officers.

So, only by closely looking at it will we find that it is difficult. However, although it is difficult it does not mean that we are not going to ignore the question of extorting illegal taxes. I have told H.E. Ke Kimyan that illegal taxation is a kind of robbery in the countryside and it must be taken care of. However, this practice of taking taxes along highways remain uncurbed. This practice affects security in travel and it causes a considerable rise in the prices of goods. The merchants who transport the goods and rice do not care how much they have to pay for those illegal taxes because they will add it to the prices at the shops. And who suffers? Not only the people but the soldiers themselves are affected. So, this issue of illegal taxation must also be eliminated. The question of national security should be solved by both the police and the military as a priority.

The second question deals with the economy. You know that our national coffers are empty. Of course, some persons have their pockets full, but the state's pockets are empty. We should not confound these two types of pockets. Not everybody has an empty pocket. Some are rich. But the state is poor. However, the ministries have their own budgets. After a little inquiry, I have found that some of them still have quite a lot of money left. Then, what should we do? We should not just try to improve our economy. We must reorganize the state budget and make it one and only [words indistinct]. There must be only one state budget and there should be no ministerial budgets according to what they call a zero-deficit budget formula or something like that. [aside to someone in the audience] What do they call it? Oh, yes: full income and full expenditure. This is not a good formula. We are making preparations so that there is only a simple state budget [preceding four words repeated in French]. What does this mean? It means that all the assets of each ministry will be centralized. Of course, we are not going to do it right away; we are allowing the ministries to become stronger and survive by themselves first because of the lack of state budget. If we eliminate the ministerial budgets now, we have no ability to pay them salaries and all functioning in the ministries will cease. However, we should adopt the principle that there is simply one state budget. Then, each ministry gets its allocation from the parliament every *fiscal year*. Only in this way can there be a simple state budget. Currently, there are so many warlords. The warlords inside and outside the administration and that is the cause of the ineffectiveness of the administration, such as in the field of security.

Concerning the taxation question, I have seen that some of you have misinterpreted my speeches in Sihanoukville and elsewhere in which I dealt with land duties and other taxes. First, about the tightening of customs duties, I would like to inform you that H.E. Sam Rangsi and H.E. Cham Prasit had told me many more people than ever have joined the customs department. Many FUNCINPEC members have asked for jobs since after the election and 80 percent of them have requested work as customs officers. Let me ask you this: Do these 80 percent of job seekers who want to become customs officers think that the salaries to be given by the state and approved by UNTAC [UN Transitional Authority in Cambodia] are sufficient? The highest-ranking general receives only 85,000 riel and the lowest rank gets 36,000 riel and these 85,000 riel are worth less than 30 dollars. Why then are so many people willing to work as customs officers? Does it mean that they think this will continue to be the most fattening department? Therefore, we must collect taxes and duties. And there are other taxes to be paid by private factories and plants, enterprises and companies. We are now beginning to reorganize the tax foundation. But let me tell you this: These private sectors have informed us that they want very much to pay taxes. If we have laws and regulations, they will pay taxes. We must therefore have *a taxation system* in place first. We must have a correct taxation system first. One thing they are most afraid of is what you call contributions. They urge us to stop taking these contributions and they ask to pay taxes. They are willing to pay taxes to the state so long as the practice of taking contributions is discontinued. To whom have all these contributions gone? This is a wrong that we can right.

Concerning the state budget, let me tell you that Cambodia is a very rich country. I do not have to explain it to you [words indistinct] we are rich. Just tourism alone can bring us considerable incomes [words indistinct]. As for rubber, we must solve this problem. Currently we are selling only the latex. And selling only the latex creates no jobs, and it does not give us what you call *the value added*. It has no value. And through selling the latex only, we are losing 60 percent of its value in transaction. We get only 40 percent. Therefore, we must look closely into this matter. We must process the rubber in order to create jobs and bring about *the value added*. We are not handling this rubber business correctly. Our technical know-how is minimal and rubber theft continues to be rife. I am not accusing anyone. All of us know whom I am talking about. All of you know. I wish that everybody involved would correct himself.

Let us build factories so that we can both create jobs and bring about *the value added* for the rubber. What they are doing now is to repeatedly slash the trunks of rubber trees, even the young ones, two or even three times. This method is destructive.

Another issue that we must deal with is the logging business. In my opinion, we must put an end to it, for it not only affects the environment but the life of the nation in the long run. You can see it with your own eyes when you travel on Highway 4. Do you think we should allow logging to continue even if logging is the bulk of our state incomes? Logging is undertaken in every country. But in other countries they do it methodically, systematically. They fell trees and they replant them. But even so do not forget that of 100 trees replanted, less than 20 will grow. In Cambodia in the past, 73 percent of the plains were by forests. Now, just over 30 percent of the forests remains. This is five, six times more than necessary to convince anyone to stop the logging. So, this excessive logging threatens the future of Cambodia itself.

Koh Kong is...if I say it, I know I might offend both Cambodians and foreigners. But Koh Kong is a serious problem. I do not ban logging but they should log according to the rules and regulations. Have you been to Highway 4? Have you seen the mountains and have you noticed something like torrents flowing down them? What are they? When the trees were felled, they were pushed down the mountains, creating furrows. As it rains, these furrows deepen and widen, uprooting all the remaining trees. There is a complete anarchy in this logging business. It is another priority that we must tackle. Failing to do that, it will affect the life of our nation itself.

However, all of that needs reorganization with the health of the national economy in mind. I would like to inform you that H.E. Cochairman Hun Sen and I have urged the Ministry of Trade to issue every week what is called a *price index* after checking the prices of 20 basic consumer goods in the market. This official *price index* will be based on data collected in Phnom Penh and the provinces. A Cambodian who graduated from France's Institut National de Statistiques Economiques—this institute is France's best in the field of economics—is working on this project. So, we are going to have a price index [words indistinct] we are going to control the prices of the most needed commodities. Not only will the prices of these goods are prohibited from rising but they will be brought down both to avoid inflation and to keep the prices of goods at a reasonable level. Without the *price index* we will not be able to see the price movement. And it will allow us to find the causes of price hikes.

Do you know that the United Nations has adopted a resolution to provide us $20 million to temporarily help us pay two months of salaries to our state employees, civilian, military, and police alike? This is one problem. Another problem is that our brothers who are working in the private sectors are seeking to become officials because they know that [words indistinct]. Getting regular pay for our state employees seems to be a problem soluble to our government as of this month. However, if we can get the pay for our people, but we let the prices of goods go up, then it is not acceptable. We must both get the salaries for them and keep the prices stable or even low. This is a priority that the new government must tackle concerning the living conditions of our people.

Now, let us talk about the riel currency. Our economy is based on the riel currency. I have asked the National Bank of Cambodia to take measures so that there is confidence in the riel currency. Of course, we still have to use the U.S. dollar and the Thai baht but we must inspire confidence in the riel currency. We must give value to it. The rich have dollars but the common people do not have dollars. If the riel keeps depreciating, then the livelihood of the people will be seriously affected. So, this is another priority. We must do everything so that the value of our riel currency remains stable. That is one thing. Another thing is that we must find a new riel currency because it is difficult to spend the current riel money, for it is difficult to overcome the present mental block regarding the present riel currency. Nevertheless, we have much hope for this riel currency issue. The currency of each country is based on several factors. The first and most important one is confidence. If our people have confidence in the government, in the leadership, the riel currency is sure to be stable. Second is its guarantee in gold bullion.

To my knowledge, we have some hope in this [words indistinct] because the Americans have just told us that they have uncovered some guarantee for the riel currency in the Federal Reserve [preceding two words in English and repeated in French]. I was not told how much, but it was the money that the late Marshal Lon Nol took away with him. This money was found, and it was kept at the Federal Reserve. This gold bullion of Cambodia taken from the National Bank would be returned to the new government. I have been told that by the U.S. ambassador. Moreover, I have heard—but this is not certain yet—that the National Bank of Cambodia under the monarchist government had deposited as a guarantee for the riel currency an amount of gold bullion with the *International Monetary Fund*. I am not sure, but according to estimate if we make an inquiry we may have some $60 million stashed there. It is said they are also waiting for the new government.

The third factor is the hard currency. In the past we did not control hard currency. Anyone could exchange whatever they wanted to exchange. There was total anarchy at the Central Market. Now, there must be what we call a control on the exchange of foreign currency. This is not against liberal democracy at all. If you go to Thailand, you will see that they first ask you to declare how much money in dollars you bring in with you. In the past, it was no less than $20,000. Now, they have lowered the amount to just $10,000. This means that a foreigner can take out of the country no more than $10,000. This happens in Thailand where the economy is quite developed. They continue to have this *exchange control*. We therefore must also impose an *exchange control*.

Not long ago, as you know, the companies paid their taxes in dollars. They paid them at the National Bank. Now, they must first exchange their dollars at the National Bank and from there get a cheque or a riel equivalent to pay to the national treasury. By so doing, the state will have foreign currencies as guarantee of our riel banknotes.

The third guarantee is the state property. So we should reexamine but not review the land problem—do not be afraid that we will conduct a review. This is because there are a great many blocks of land on which taxes have not yet been paid. I am not talking about the plots of land illegally occupied by our compatriots at the moment. We should forget about this problem for the time being. However, the blocks of land that people have purchased and state property called assets [preceding word in English] can be used as guarantee of our riel banknotes. When I am talking about this issue, a lot of people might feel unhappy because they do not want to pay taxes. But how can taxes be avoided? In developed countries, land in prime areas that is divided into occupied and unoccupied real estate is subject to high taxes. So should we just continue to leave this situation like that or should we impose taxes on land? It is natural that higher taxes should be levied on land in prime areas. I do not know about land in Pailin; it is up to Mr. Pol Pot to deal with that. But here, land is in prime areas. Besides, after taxes are paid but no building is constructed, we should retake the land. If we do not act in this way, there will be no guarantee of our national economy.

I would like to point out that what I told you has been fully endorsed by the government. This is not my own idea. I cannot state this without consent from the entire government. Please, do not be confused. Our action will not affect investment but speculation. *Speculation is not an investment.* Investment is investment; but the hoarding of goods for resale with high prices can never be an investment but rather speculation.

What I have said constitutes a plan that we will implement to stabilize our riel currency. We should not use dollars any more, otherwise our sovereignty and peace will be affected. As you know, the law on the printing of banknotes is closely linked with a country's sovereignty. If we use dollars, this will affect not only the innocent people's livelihood but also Cambodia's sovereignty. [passage indistinct] This is not correct; this is not fair. So this is a problem that we need to solve urgently.

As for corrupt practices within the primary, secondary, and tertiary educations, we should take necessary measures to eliminate them [words indistinct]. However, this malpractice has not occurred only just now. Between 1970 and 1980, I was a professor at the law faculty. One day, a lady came to my house and attempted to bribe me, saying: Your Highness, please help my child. I will offer you this sum of money. Citing this example, I only want our compatriots to understand the bribery problem. Bribery affect the nation's survival as follows: If we only have degrees like medical doctors, but we cannot practice medicine, we will kill a patient while giving him an injection. If only doctors of law are concerned, it is fine because the most they can do is to ignore the correct application of the law. Moreover, bribery can also affect investment as investors cannot get local qualified people to help them with their works [words indistinct]. They will bring in their staff from overseas. This is a big problem. As such, we should increase the quality of our students' knowledge to the maximum, and we should confer diplomas on talented students only.

What I just said would hurt some people. But in your opinion, should we rectify the situation or leave it like that? [passage indistinct] Please let me know. A group of people from tertiary education came and asked me why do I need to only fix higher education since bribes are still accepted by those within the primary and secondary educations? They argued that the lower education levels should be rectified first before restoring higher education. So I would like to make it clear that education at all levels, including the primary, secondary, and tertiary levels, need to be redressed. At this point in time, I am not talking about what happened in the past. I am no longer able to talk about past problems because now I do not belong to FUNCINPEC. In my capacity as the cochairman of the Provisional National Government, I am not talking about the past. I need only talk about problems happening at present. So please don't tell me what problems used to be like. And please do not ask me about the problems; I will not answer no matter what. I only wish to say that a government, provisional or not, should rectify this situation.

As I already said in my previous speech, I will certainly strive to get teachers within the next few months. We should reorganize our educational system according to the needs of our nation. And we should organize vocational training for our students as well. This is because it is impossible for thousands and thousands of students to become state officials. We should act in keeping with the needs of our nation. [passage indistinct]

On the issue of electricity and water, I would like to point out that it is not the government that should be blamed. Our oldest generators were first installed in 1926—those machines are now older than me. If we have money, we will put them in museums [words indistinct]. However, our workers there are striving to operate them. Our newest generators were installed in 1982 or 1983. That all we have. Anyway, we will certainly strive to solve the problem. As you know, we also have problems with old cables. [words indistinct] most of ice makers are in military uniforms. This is because thick uniforms make them feel hot so they need to produce more and more ice at home [words indistinct].

We are also facing the problem of running short of money. So what should we do? First, we should try to procure some money to repair the generators. By the way, I would also like to inform you that the Council of Ministers this morning decided to ask (?Czechoslovakia) to complete its repair of the generators; otherwise we will continue to lose 10 megawatts [mw]. Now our generators can only produce about 23 or 24 mw. So if the work is not completed, we will lose 10 mw. Secondly, Japan plans to give us a 10-mw generator while France will give us only a generator that can produce only (?1.8 mw). So this morning, we decided to request Japan to ship by boat the 20-mw [as heard] generator here. The 20-mw generator from Japan coupling with our existing 20-mw generator will altogether produce about 40 or 50 mw. So this will be more than enough. Nevertheless, we should look at our cable networks to see whether our compatriots will still be able to steal electricity. This is a big problem. As you know, the state charges only 170 riels per kilowwatt [kw] of electricity but private companies sell it for 300 to 600 riels. But the private companies still can do their business, not the state. This is why at this morning's meeting, I said if we ask for the new generator from Japan to just produce electricity for some people to steal it, for some private companies to enrich themselves while the state remains poor, it is not worthwhile. So we should look at this matter carefully. It is true that we should provide electricity to the people but all the same we should not let private companies benefit from that. A kilowatt costs only 170 riels, but they charge between 300 and 600 riels per kw. So the government needs to settle this problem. If we solicit alms just for our compatriots to pay from 300 to 600 riels per kw as before, I think it is unacceptable.

[Words indistinct] we have projects to construct the Prek Thnaot hydroelectric station that can produce some 18 mw of electricity, the Kirirom hydroelectric station—if we can have it back—that can produce 10 mw, and the Kamchai hydroelectric station that can produce up to 48 mw. If it is completely safe and if we will not be disturbed by the great leap group [a reference to the Khmer Rouge], we will begin and complete the construction of the Kamchai power station in one or two years because the Soviet Union already has in hand the project. UNDP [UN Development Program] is also able to assist us. When the electricity becomes cheaper, we can ship the Japanese-donated generator to Siem Reap, Kompong Cham, or any other places. This is only a project.

So the compatriots are urged to remain a bit patient and be supportive. If you are impatient, insulting, and nonsupportive, this can be a serious problem. As such, I plead with you not to insult us too much. Actually, we are striving very hard.

For the government, electricity is one of the priority tasks. However, we will solve every problem, including employment and agriculture. We will promote griculture so that we no longer have to rely on the skies. We now have plans to reconstruct reservoirs, dams, and canals. We have many dams that need restoration. We will dredge our canals and we will create centers for experimenting on fertilizers, and so on. We still have a lot of issues. If I have to tell you everything, three more hours are not enough.

Now we talk about the issue of those Great-Leap people which we need to solve as well. In principle, H.E. Cochairman Hun Sen, the government, and I agree that we should have an open-door policy of national reconciliation. Our august Prince Father, as you all know, said in his cable that he has given up the idea of holding negotiations with the Party of Democratic Kampuchea [PDK] because of the Americans. He gave myself and H.E. Cochairman Hun Sen permission to talk with the PDK if we think that talks are necessary to solve the questions of peace and secession. And H.E. Hun Sen has also permitted me to continue dialogue. In principle, we are keeping the door open to national reconciliation with a view to achieving peace and putting an end to the so-called autonomous zones. Cambodia should be whole; we should never divide the country.

However, I would like to inform you that H.E. Khieu Samphan wrote to H.E. Hun Sen and me. But H.E. Hun Sen urged me not to answer the letter. I have not answered but I want to tell you something. The letter is (?the latest one). But I am afraid that our Cambodian brothers do not understand what he wrote. Can you understand his radio statement? For instance, he wrote: Since FUNCINPEC won [the election], why then bother to have a two-headed government? He called ours a two-headed government. In his opinion, a winner should be recognized as a winner. So why then do we have to bother with the ungainly setup which is inconsistent with the wish of the nation? So, it appears that he loves FUNCINPEC even more than FUNCINPEC loves itself. And many FUNCINPEC members seem to agree with him. He said that nowadays I am in quite a difficult position and many of those who voted for FUNCINPEC do not understand at all what is going on. He also repeatedly pointed out that after the election the Cambodian constitution should be drafted by FUNCINPEC, that there should be only one prime minister, and that the victorious FUNCINPEC should be allowed to form the government. He said it is not he himself who demands that; it is the view expressed by the entire people.

First, he asked: What is the PNGC's answer to the PDK's request to join the quadripartite national Armed Forces, that is, a national army with four factions.

Second, he wondered: What happened to his demand to be an adviser; will we answer that request? He wants to be just an adviser. So, how could we be so ungenerous? That is my own comment, not his. Third, he demanded a 45-percent share; he claimed that the Prince Father was very specific about it. This does not involve just the allocation of ministerial portfolios. It must be a 45-percent share on everything, including the military, police, and civilian staff. He said that the Prince Father was very correct and clear about the 45-percent allocation. So, if the 10 percent from H.E. Son Sann is added, this problem will become very serious. No, it is serious not because of H.E. Son Sann. Let me tell you. Can we give a 45-percent share to each? Let us take the national Armed Forces. Do you know how many men of the former State of Cambodia there are in the Armed Forces? 100,000 men. If we implement the 45-percent plan, FUNCINPEC will have to add 100,000 to maintain the balance. So, we will have a 200,000-strong national Army. We cannot get enough money to pay for the 100,000 soldiers that we have. Then how can we pay 200,000? And if we add the 10 percent from H.E. Son Sann, the Armed Forces' strength will become 220,000. At its present size and being so poor, do you think Cambodia is capable of sustaining a 220,000-strong Army?

I beg you to answer, do you think that it is possible? No way. We are not capable of having such a big Army. Cambodia in the time of the Prince Father had a 28,000-strong Army only. It is now very difficult for us to sustain the present 130,000-strong Army. But no, he kept insisting on having 200,000 men. And he told me after watching television—yes, he watches TV everynight at home—that if we need policemen or something, he has a lot left. I do not know why he thinks that. He also insisted that the same would apply to the police. The former State of Cambodia has 40,000 policemen and if we have to implement the 45-percent plan FUNCINPEC will have to recruit an additional 40,000 policemen, and H.E. Son Sann with his 10-percent quota an additional 8,000 policemen. We will have an 88,000-strong police force. Do you wish to see an already large police force bloated like that? It is not possible to sustain such a force.

The problem is that some FUNCINPEC members believe H.E. Khieu Samphan. That is what worries me most. One day FUNCINPEC parliament members spent four and a half hours questioning me about the 45-percent allocation. They insisted that we must have a 45-percent share. After I gave them an explanation, the following day H.E. Khieu Samphan wrote to me using virtually the same terms. I was worried not because one might think that FUNCINPEC and the Khmer Rouge are agree with each other, but because it might be the opinion of the people. That is dangerous. Take, for example, the Agriculture Ministry in Phnom Penh. It is manned by 5,000 persons. If we implement the 45-percent plan, it will mean an additional 5,000 for a total of 10,000, and by adding the share of H.E. Son Sann we will have an 11,000-strong staff.

Do you think that the Agriculture Ministry needs a staff of 11,000?

How about reducing the force? This is not possible either. Let me tell you this: Is it not true that during the electoral campaign FUNCINPEC promised not to resort to any force reductions? Have any of you heard that promise? How about reducing the existing staff by half in order to bring in the FUNCINPEC people in an equal number? This is not possible either because there already are FUNCINPEC members among the staff of all the ministries. As a matter of fact, many of them are holding two cards. The CPP claimed that it had 3 million members. If that were true there would not be any FUNCINPEC members at all. In the election, they got only 1.4 million votes. Where did the rest go? So, FUNCINPEC members are already in the ministries. If we reduce the staff by half, it would mean that we reduce ourselves in order to bring ourselves in. Thus, the scenario is impossible.

Therefore, I would like to inform you of the following: The 45-percent business is a problem raised by him [Khieu Samphan], and some of our venerable monks also support this idea.

So, what is the solution? The solution is like this: We believe that before reconciliation, attacks should be halted. However, H.E. Ke Kimyan has just informed me that we just lost another bridge on National Route 6 in Baray near Kompong Thom. This bridge, below Baray between Kompong Thom and Kompong Cham, can no longer be used. And the situation around Siem Reap is not good. The situation south of that town, also, is not very good. One might ask why we don't fight back? We dare not fight back for fear of violating the cease-fire agreement. However, like it or not, we must take some self-defense measures. I want to make that clear. As far as Preah Vihear is concerned, we still must continue to solve the problem. Only after solving all of this will the question of national reconciliation be considered. Of course, for national reconciliation, all sides must contribute. But the PDK keeps talking about Vietnamese puppets and Vietnamese so and so. I would like to tell you, gentlemen, it is true that I have assumed my function for only 20 days, but in all that time I, Ranariddh, personally have never consulted with the so-called Vietnamese advisers. To be frank, I do not know whether there really are any Vietnamese advisers. Maybe there are, I don't know. I have heard that there is one left in the Council of Ministers.

None of you have seen any, I presume. But if they insist that there are, so be it. I have not made any inquiries. However, it hurts to be called Vietnamese puppets. H.E. Sam Rangsi was extremely angry since he is part of the Finance Ministry. They charged that we have to consult with the Vietnamese whenever we need to do anything about our finances. H.E. Rangsi told me that in making all his decisions, he never consulted with the Vietnamese. He did everything by himself, proudly as a Cambodian. So, if they keep raising the issue of the Vietnamese, I am afraid we may have both the Chinese and the Vietnamese on our back.

He [Khieu Samphan] then asked: How will the government handle the Vietnamese question? Let me tell you that on 21 July [UN Representative] H.E. Sadry met with H.E. Hun Sen and me and told us that the ethnic Vietnamese who had fled the Cambodian massacre—let us not be too specific by saying that they fled the Khmer Rouge—now wanted to return. Their boats were massing at the border. So, as a humanitarian gesture, H.E. Sadry asked the government to permit them to enter. I discussed this issue with H.E. Cochairman Hun Sen and he gave the following unequivocal answer: Mr. Sadry, please tell UNTAC not to let them in.

Mr. Sadry said the Vietnamese Government claims that these people are not Vietnamese, but Cambodian nationals. H.E. Hun Sen informed H.E. Sadry that these people should not be allowed in. First, let us investigate. Second, if they are allowed in, there is nothing to conclusively prove that they are Cambodians. Not only the old ones, but the new ones, too, will be back. There is another issue, that of security. We are not in a position to provide this. So, the government cannot just let them in. Sadry made a plea for us to allow them in—for humanitarian reasons, he said. We replied: No, please do not let them in; if you pity them, give them rice. However, do not do this through Cambodia, but through Vietnam.

We do think about the matter. Other remaining problems will also be discussed. Wait for the government's stance to get a bit firmer; we will discuss this with Vietnam through peaceful and legal means. No country would allow so many foreigners to enter illegally like that. It is not just us; other countries do it, too. So Cambodia should also do it. Of course, the new government has to solve this problem, but in peaceful way. In other people's views, Vietnam cannot just say no. We have a specific principle on solving this issue.

There are so many problems, however. I am being frank. The Prince Father has asked that when we visit Vietnam, we should sort out the border issue. I discussed this with H.E. Cochairman Hun Sen and also met with the Vietnamese diplomat. I said to H.E. Hun Sen that we will raise this issue as a technical and not a legal one; this is a technical issue. What does this mean? It means that the Vietnamese side has to recognize the border that the Supreme National Council already agreed upon; namely, the use of the 1/100,000 French map of 1954. This map should be accepted. Once this is done, we can then set up a joint committee, including a French specialist whose task is to check the coordinates and pinpoint them on the ground. If there are no border markers at those points, markers will be placed there.

There is a problem. Our territory lies in the plain and is surrounded by mountains. With heavy rains, border markers keep moving onto our side. This is unfortunate for Cambodia. It is nobody's fault; it is because Cambodia is in the plain and surrounded by many hills. And with heavy rains, the border markers keep moving onto the Cambodian side, century after century. Rains keep coming down. So if that is the case, we should do something so that these markers do not flow out again. So we should solve this problem as a technical issue. I cannot go into this any further. I want to inform you that we do care about the nation's survival. It seems that the Vietnamese [passage indistinct]. If we talk too much about this there will be problems.

So the issue [words indistinct] the PDK, not that we want (?a spat). In fact, ASEAN has a clear stance on this. ASEAN holds that Democratic Kampuchea is a Cambodian problem; Cambodia should solve this. Americans, who used to voice their opposition, have also said that this issue is a Cambodian problem that Cambodians should solve by themselves. They only ask the PDK to respect the accord, however. The agreement stipulates peace and that there is no war. It means that Cambodia stays within its border; there is only one Cambodia. There is no Cambodia divided into autonomous zones. Respecting the agreement means respecting Cambodia's sovereignty, territory, independence, cease-fire, and peace. Foreigners also agree with us on this. Democratic Kampuchea is a Cambodian issue that we should solve to achieve national reconciliation. National reconciliation means that we stop [words indistinct]. It is only one nation; there is only one territory and only one Cambodia.

If we raise the issue of quadripartite armed forces, this means that factionalism still exists and factions still exist. This is not progress at all. Even after the elections, factions continue to exist. Parties and factions are different, I am sorry. If you want to set up a party, I greatly welcome this. You already have one, the Cambodian Great National Union Party. Some of our compatriots will perhaps enroll as members, I do not know. A party is not a faction. [sentence repeated in French] So please, we are open but there are conditions for national reconciliation to enable the nation to survive. If you still talk about puppets, it is difficult. I am being frank with you. To this day, I have not yet asked for anyone's advice.

I would just like to inform you about all this. Sorry this is a rather long speech. I am very glad that we have proceeded according to the schedule. It is a pity [words indistinct] another two hours.

So if you have any questions, go ahead. Do not hesitate. I will elaborate if I can. Thank you.

Ranariddh, Hun Sen Leave for Visit to Laos

BK2807073993 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 28 Jul 93

[Text] At the invitation of the government of the Lao People's Democratic Republic [LPDR], at 0800 on the morning of 28 July, a high-level delegation of the Provisional National Government of Cambodia [PNGC] led by Prince Kromluong Norodom Ranariddh and His Excellency [H.E.] Hun Sen, cochairmen of the PNGC, left Phnom Penh on a Cambodian Airlines' Boeing 737 for an official visit to the LPDR.

Accompanying the high-ranking PNGC delegation on the occasion were Madame Ranariddh; Prince Norodom Sirivut, minister of Foreign Affairs and International Cooperation; H.E. Veng Sereivut, cominister of the Office of the PNGC Council of Ministers; and H.E. Chea Chanto, minister of Planning.

Seeing the high-ranking PNGC delegation off at Pochentong Airport were Excellencies Keat Chhon and Ung Phan, deputy prime ministers of the PNGC; Excellencies Ing Kiet, Hor Namhong, and Van Moulivan, ministers of state of the PNGC; the excellencies the high-ranking officials and personages from all national institutions; military and police officers; offials and employees from all institutions; and a large number of students and pupils.

Also on hand at the airport were the representatives of the diplomatic corps in Cambodia.

Foreign Minister Convenes Meeting on Aid Issues

BK2807144493 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 27 Jul 93

[Text] On 26 July at the Chamka Mon state palace, Prince Norodom Sirivut, minister of foreign affairs and international cooperation of the Provisional National Government of Cambodia, convened a meeting of representatives of nongovernmental international organizations who are working to provide rehabilitation and reconstruction aid to Cambodia, and representatives of ministries dealing with the reception of this aid. The meeting was called to hear the views and requests of the representatives of all international organizations working to assist Cambodia and to specify the cooperation of Cambodia's new government with these international organizations.

Speaking on this occasion, Sirivut expressed his joy and thanks to all the international organizations for their economic and social assistance to Cambodia at a time when the country is experiencing difficulties. He stressed: Cambodia's new government will continue to cooperate with all nongovernmental organizations to rebuild the country. Sirivut made an appeal, saying that the Cambodian people need humanitarian assistance from the international community.

Foreign Minister Discusses Outcome of ASEAN Meeting

BK2807092393 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 2300 GMT 27 Jul 93

[Text] After returning from the trip to attend the 26 July ASEAN meeting as special guest, Prince Norodom Sirivut, foreign minister of the Provisional National Government of Cambodia [PNGC], told a reporter of REAKSMEI KAMPUCHEA newspaper on the afternoon of 27 July that ASEAN will provide 400,000 sets of military uniforms to Cambodia.

Prince Norodom Sirivut further said that he has asked for assistance from the ASEAN countries on 24 July, for example military uniforms and other kinds of aid. He informed these countries about the structure of a unified army and police, namely the national army and national police. The PNGC plans to maintain only 60,000 troops. Therefore, each soldier needs between two and three sets of uniforms. He further said that His Excellency [H.E.] Ali Alatas, Indonesian foreign minister and cochairman of the Paris International Conference on Cambodia, has now affirmed that Indonesia is willing to take care of the above proposal and the way to implement it. It will dispatch officials to Cambodia to find out about the type and design of the uniforms.

Prince Norodom Sirivut further said that Indonesia stressed its desire to assist Cambodia within either an ASEAN or a bilateral framework. The prince minister went on to say that concerning training, for example in such fields as radio and television, or the lack of technology and material, Indonesia can be of assistance to us, particularly in the sector concerning the Ministry of Foreign Affairs.

On national reconciliation, Prince Norodom Sirivut affirmed that ASEAN does not interfere because the latter considers that Cambodian national reconciliation is a matter among Cambodians and will let the Prince Father [Sihanouk] and the PNGC to solve this probem through whatever way. It is worth recalling that at the recent meeting ASEAN issued a joint communique specifying that ASEAN supports Cambodia solving its internal problems by itself; no major power should dictate that this or that should be done.

The prince further said that the United States has now changed its attitude slightly and said: In my view, the situation will get less and less tense.

Although the Cambodian delegation attended the ASEAN annual meeting as a special guest, opportunity was given to the Cambodian foreign minister to meet with ASEAN foreign ministers and a number of major countries such as Australia, Canada, China, Russia, and the United States.

Cochairmen Hold Meeting on Industry, Energy

BK2807091993 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 28 Jul 93

[Text] On the morning of 27 July at the cabinet office, the cochairmen of the Provisional National Government of Cambodia, namely Prince Kromluong Norodom Ranariddh and His Excellency [H.E.] Hun Sen, held a meeting on issues relating to industry, energy, and mines. Excellency ministers and relevant experts also attended the meeting.

Speaking at the opening of the meeting, Prince Kromluong Norodom Ranariddh and H.E. Hun Sen stressed the necessary and urgent needs of industry, energy, and mine sectors. The meeting discussed plans relating to the material and equipment to develop the industry, energy, and mine sectors with the stress on the examination of foreign investment in these fields, first of all electrical energy, which is the basis of national development.

Interior Ministry Issues Communique on Weapons

BK2807073193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 27 Jul 93

[Text] The Interior and National Security Ministry would like to inform respected and beloved compatriots that lately public order has been affected by complications due to violent crimes against the Cambodian people. These have been committed by offenders who took advantage and illegally used weapons to rob property and kill the owners, causing anarchy and alarm, and distress to the owners.

In order to ensure security and safety for innocent citizens in general who work to earn a living, the Interior and National Security Ministry issues the following communique:

1. Persons possessing weapons without legal documents should apply for proper papers.
2. Indiscriminate firing, such as during festivities, sun eclipses, storms, rains, and so on, is absolutely banned.
3. In cases of violation, weapons will be confiscated even though permission papers have already been issued.

The Interior and National Security Ministry appeals to the entire population to help check and uncover offenders in the above cases and secretly report them to the nearest police station so that measures can be taken to investigate and solve the problem in accordance with the law.

Laos

Reportage on Visit by Cambodian Cochairmen

Leaders Hold Talks

BK2807153293 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 28 Jul 93

[Text] After a flight of one hour and 10 minutes, a high-level delegation of the Provisional National Government of Cambodia [PNGC] led by Cochairmen Prince Kromluong Norodom Ranariddh and His Excellency [H.E.] Hun Sen arrived at Vientiane Airport in the Lao People's Democratic Republic [LPDR] at 0950 on 28 July for a four-day official visit.

Welcoming the delegation at the airport were H.E. Khamtai Siphandon, chairman of the LPDR's Council of Ministers, and a number of senior Lao Government officials. Also present were several ambassadors accredited to the LPDR.

The PNGC delegation went to pay tribute to fallen Lao soldiers at Nilanam Memorial Monument at 1100 on the same day.

On the afternoon of the first day, Prince Kromluong Norodom Ranariddh and H.E. Hun Sen held official bilateral talks with H.E. Khamtai Siphandon. Afterward, the Cambodian delegation was received by H.E. Nouhak Phoumsavan, president of the LPDR.

In the evening, H.E. Khamtai Siphandon hosted a reception in honor of the PNGC cochairmen and members of the Cambodian delegation at the National Assembly office.

More on Talks

BK2907030393 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 29 Jul 93

[Text] Yesterday, a delegation of the government of the Lao People's Democratic Republic [LPDR] led by His Excellency [H.E.] Prime Minister Khamtai Siphandon, held talks at the Prime Minister's Office in Vientiane with a delegation of the Provisional National Government of Cambodia led by Government Cochairmen Prince Kromluong Norodom Rarariddh and H.E. Hun Sen, which is currently on an official friendship visit to the LPDR.

Attending the talks on the Lao side were H.E. Khamphoui Keoboualapha, deputy prime minister and chairman of the Planning and Cooperation Committee; H.E. Phao Bounnaphon, minister attached to the Prime Minister's Office; H.E. Somsavat Lengsavat, minister of foreign affairs; H.E. Bountiam Phitsamai, deputy minister attached to the Prime Minister's Office; H.E. Bouason Boupphavan, deputy minister attached to the Prime Minister's Office; H.E. Phongsavat Boupha, deputy minister of foreign affairs; H.E. Sali Khamphoui, head of Office of the Foreign Affairs Ministry; and H.E. Khamphan Simmalavong, ambassador extraordinary and plenipotentiary of the LPDR to Cambodia. Attending on the Cambodian side were H.E. Norodom Sirivut, minister of foreign affairs and international cooperation; H.E. Chea Chanto, minister of planning; H.E. Veng Sereivut, cominister attached to Office of the Council of Ministers; H.E. Sum Manit, deputy minister attached to Office of the Council of Ministers; H.E. Sisowat Sirirat, political counselor; H.E. Sek Setha, high-ranking official of the Foreign Affairs and International Cooperation Ministry; H.E. (?Maonh Saphan), administrative adviser; and H.E. (Mau Teng), charge d'affaires of Cambodia to Laos.

In the talks, which proceeded in an atmosphere of close friendship and mutual understanding, H.E. Khamtai Siphandon, Prince Kromluong Norodom Ranariddh, and H.E. Hun Sen informed each other of the domestic situation in their respective countries. They also exchanged views on certain regional and international issues of common interest.

Regarding bilateral relations, the two delegations unanimously expressed satisfaction over the long-standing, traditionally fine friendship, solidarity, and cooperation. They also reached unanimity on the desire and means to further improve, promote, and expand the said relations for the benefits of the peoples of the two countries.

On this occasion, H.E. Khamtai Siphandon highly assessed the key role of Prince Norodom Sihanouk who has actively carried out activities to achieve national reconciliation in Cambodia. He also expressed congratulations to Prince Kromluong Norodom Ranariddh and H.E. Hun Sen on their appointments as cochairmen of the Provisional National Government of Cambodia.

Prince Kromluong Norodom Ranariddh and H.E. Hun Sen expressed thanks to the Lao Government and people for having continuously contributed to the process in establishing peace in Cambodia. The two also took the occasion to extend an invitation to H.E. Khamtai Siphandon to pay an official friendship visit to Cambodia. H.E. Khamtai Siphandon has accepted the invitation with pleasure. The Cambodian leaders will be informed later of the dates and time for the visit through diplomatic channels.

President Receives Cochairmen

BK2907031793 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 29 Jul 93

[Text] At 1700 on 29 July, His Excellency [H.E.] Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], received, at the Presidential Office in Vientiane, a courtesy call from a delegation of the provisional national government of Cambodia led by Prince Kromluong Norodom Ranariddh and H.E. Hun Sen, cochairmen of the government, which is currently on an official friendship visit to the LPDR.

On this occasion, H.E. President Nouhak Phoumsavan highly assessed the visit to Laos by the delegation of the Provisional National Government of Cambodia, and noted that the visit marked a new milestone of the promotion and enhancement of the long-standing, traditionally fine friendship relations, solidarity, and cooperation between the peoples of Laos and Cambodia. He said: The Lao Government and people have always nurtured the traditionally fine relations. They have also maintained sincere, unchanged desire to further promote and develop the said good relations for the benefits of the peoples of the two countries.

H.E. Nouhak Phoumsavan took the occasion to convey respects and best regards to Prince Norodom Sihanouk, head of state of Cambodia, and his wife. He also extanded an invitation to the prince head of state and his consort to visit Laos. Prince Kromluong Norodom Ranariddh and H.E. Hun Sen expressed sincere thanks to H.E. President Nouhak Phoumsavan for the warm welcome and for the fine, impressive words on the good relations between the two countries and two peoples of Laos and Cambodia.

Somsavat Lengsavat Returns From Singapore

BK2807162793 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 28 Jul 93

[Text] During his visit to Singapore and participation in the 26th ASEAN ministerial conference from 20 to 24 July, Lao Foreign Minister Somsavat Lengsavat met with Singaporean Foreign Minister Wong Kan Seng.

Both sides discussed several issues and especially agreed on the increasing of cooperation in economy, trade, investment, as well as in other fields. The Singapore side pledged to provide assistance to Laos in the training of officials in Singapore's areas of expertise.

On the same occasion, the Lao delegation also attended the 26th ASEAN ministerial-level conference as observers. Apart from the six ASEAN member countries, also participating in the conference were observer countries, such as the Lao People's Democratic Republic, the Socialist Republic of Vietnam, Papua New Guinea, and invited countries including the PRC and Russia.

Besides, Somsavat Lengsavat also attended a consultative meeting among the ASEAN countries and met with the foreign ministers of Indonesia, the Philippines, Vietnam, the PRC, Malaysia, Cambodia, Brunei, and Australia. Each country expressed support for the LPDR's economic reform policy and intentions to gradually improve and expand the relations between the ASEAN countries and the LPDR and pledged to assist Laos in the development of human resource.

Somsavat Lengsavat returned home on the afternoon of 27 July. Receiving him at the airport were Deputy Foreign Minister Souban Salitthilat and ambassadors of Indonesia and Malaysia to Laos.

Philippines

Japan Releases $15 Million Under 'Green Aid Plan'

HK2907054093 Manila BUSINESS WORLD in English 29 Jul 93 p 11

[Report by Bertrand O. Pescayo]

[Text] Japan's Ministry of International Trade and Industry (MITI) has agreed to release more than $15 million worth of aid to the Philippines under the Green Aid Plan. The aid package will be used to finance environmental projects. Trade and Industry Undersecretary Tomas I. Alcantara said the MITI gave the formal go-signal during a policy dialogue held in Tokyo recently. The aid package covers a total of 13 provinces.

The most expensive project in the line-up is the $12 million wastewater joint treatment plants aimed at minimizing industrial pollution in Laguna Lake and the Bulacan rivers. Still another environmental project approved by the MITI is a toxic and hazardous waste treatment plant designed to dispose of the waste emitted by drug companies, laboratories, hospitals, clinics, and atomic reactors.

The Department of Trade and Industry (DTI), which oversees the funding facility, said members of the private sector can test the demonstration projects themselves and later on use the technology in their own plants and factories.

The MITI also agreed to earmark the following funds for the following projects:

—$265,000 for an environmental impact study on small-scale mining operations to prevent siltation and water contamination;
—$60,127 for the treatment of pulp and paper mill effluents;
—$700,000 for a decolorization project aimed at minimizing color polution caused by waste effluents of distillery and textile plants in Batangas;
—$120,000 for particulate pollution control in small- and medium-scale foundries;
—$200,000 for a pilot micro-hydropower plant augmented by a storage battery system;
—$85,000 for the electron beam treatment of flue gases;
—$400,000 for a metal industry waste heat recovery system for power generation;
—$200,000 for energy recovery from municipal solid waste thermal treatment;
—$520,000 for waste heat recovery from glass manufacturing;
—$300,000 for pilot biogas generation from landfill leachate; and
—$200,000 for a study on air and water pollution control technology and research on cumulative environmental impact for EIA [expansion unknown] compliance and monitoring.

Japan first launched the Green Aid Plan in 1991 to prod ASEAN countries into incorporating environmental protection with economic development. The aid package is supposed to stretch over four years. Japan already designed a Green Aid program for China and Thailand. The Philippines is the third country to avail of the grant.

Senate Probes Deaths of Workers in Japan

OW2707144193 Tokyo KYODO in English 1225 GMT 27 Jul 93

[Text] Manila, July 27 KYODO—A Senate committee on Tuesday [27 July] began an inquiry into the deaths of Filipino workers in Japan as part of its efforts to formulate laws that would protect the country's overseas contract workers. In a hearing conducted by the Senate's Committee on Women and Family Relations, a Department of Foreign Affairs (DFA) official said 39 Filipino workers died in Japan this year, one from gas poisoning.

Vesta Cuyugan, assistant secretary at the DFA, said there were 36 deaths in 1991 and 45 in 1992, most of them male workers. The causes of death included suicide, murder, illness, and car accidents, she said.

Sen. Dominique Coseteng asked for the inquiry last month following reports that three women have died in Japan "under violent and questionable circumstances" since 1991. Coseteng said the inquiry was needed to assist legislators in formulating laws which will ensure the well-being of overseas contract workers.

Ramos Discusses Defense Cooperation With U.S.

HK2907103093 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 29 Jul 93

[Text] President Fidel Ramos does not favor a new bases agreement between the Philippines and the United States. After all defense cooperation continues between the two countries despite the closure of the U.S. military bases in the Philippines, the president said.

An example of this cooperation is a trip by General Lisandro Abadia, chief of staff of the Armed Forces of the Philippines [AFP], to Guam next week by U.S. invitation to meet with his U.S. counterpart, Admiral Charles Larson, commander-in-chief of the Pacific Command.

Ramos said that this meeting will deal with joint military exercises and the inter-operability of units and equipment.

The president said that the Philippines can learn a lot from advanced U.S. technology and also contribute to U.S. knowledge, especially about the AFP's standard operating procedures.

In line with the defense cooperation between the two countries, the president also said the two countries continue to exchange personnel for training in their military academies.

The president said there is no problem with U.S. forces conducting visits, military exercises, and commercial arrangements for docking in the country because these activities are carried out by friendly forces ordinarily.

Nevertheless, he added, a new bases arrangement is not allowed by law, even if requested by the U.S.

Ramos Approves Further Levy on Oil Imports

HK2707035293 Manila MANILA BULLETIN in English 27 Jul 93 p B-1

[Report by Fil C. Sionil]

[Text] President Ramos has signed the executive order imposing a P1 [Philippine peso] per liter additional import duty on oil and petroleum products.

Finance Secretary Ernest Leung told reporters that the still unnumbered EO [Executive Order], which increased special duties on crude oil and petroleum products, was signed by the President last Friday, three days prior to the resumption of the regular session of the 9th Congress yesterday.

The President's action, aimed at beefing up the government's fiscal position, is allowed without prior consultation with Congress under the "flexible clause" of the National Tariff Code.

Section 401 of the Tariff Code states that the President, upon recommendation of the National Economic Development Authority (NEDA), in the interest of national economy, general welfare and/or security ... is empowered to increase, reduce or remove, existing protective rates of import duty.

Last month, the economic managers, including the NEDA Director-General Ceilito Habito recommended the imposition of the oil import duty.

The rate increase/decrease/removal of the import duty could be imposed to any level in one or several stages, the Tariff Code also states.

Leung said that the levy on a conservative estimate is expected to bring the government some P10 billion in additional revenues based on the volume of oil imports last year.

This level would even reach a high of P15 billion annually or some P1.25 billion incremental revenue collections per month.

Leung said that the additional duty will be effective or will be imposed during the first week of September, some 30 days after the publication of the presidential fiat before the end of the month.

However, this level will be reduced to P10.8 billion yearly as oil purchases of cash-strapped National Power Corporation [Napocor].

Leung explained that for the first few months of the imposition of the import duty, consumers will not bear the brunt of the new tax as the corresponding increase in the prices of petroleum products will be first absorbed by the Oil Price Stabilization Fund [OPSF].

It is only then that the consumers will have to pay higher prices in gasoline once the OPSF has been depleted.

The imposition of the new tax measure was designed to shore up government's revenue position and support its expenditures for critical development programs and projects.

Earlier the finance department admitted that the revenues derived from the new duty will finance the "needed infrastructure projects" amounting to P10.8 billion annually, particularly the completion of road construction, environmental protection and equity contributions to Napocor.

As of last may, actual OPSF cash surplus amounted to P7.6 billion. However, this is expected to go down to P5.7 billion with the claims from oil companies amounting to P1.9 billion.

The government will start charging the increase in duties to the OPSF starting January 1, 1994 as it would take 120 days for oil firms to process and file their claims.

Consumers will start taking the brunt of additional fuel cost by the second half of 1994.

Thailand

Minister Reports on Trade Talks With U.S.

BK2907011793 Bangkok THE NATION in English 29 Jul 93 pp B1, B2

[Text] Deputy Prime Minister Suphachai Phanitchaphak was to have delivered the last Thai counteroffensive to avert the threat of United States' trade sanctions by proposing a revision of the bilateral Treaty of Amity between Thailand and the United States to US Trade Representative [USTR] Mickey Kantor at a meeting yesterday.

According to a Thai official, who spoke on condition of anonymity, Suphachai was 'most likely' to raise the Treaty of Amity issue when he met Kantor on Wednesday, US time, three days before the USTR is to announce whether it will impose retaliatory sanctions in response to inadequate protection of patents and copyrights in Thailand. "The (treaty) issue is already on his agenda," the source said.

Suphachai planned to "revise certain areas" under the bilateral treaty, explained the source. "If this is the case, it would mark the first time senior officials from the two countries have seriously discussed the bilateral agreement," he claimed. The 1966 Treaty of Amity granted US citizens special privileges when doing business in Thailand, and vice-versa for Thai citizens in the US.

Suphachai might drop the issue depending on the atmosphere at the Wednesday afternoon meeting, the official noted. He declined to say however, whether the suggested revision would be in favour of Washington or Bangkok. Suphachai met US Secretary of Commerce Ron Brown on Tuesday the second day of his visit to Washington DC. During the meeting, Suphachai was quoted by the source as telling his US counterpart not to let the intellectual property dispute overshadow Thai-US cooperation on trade and investment.

Separately, the Thai technical negotiating group ended a meeting on Tuesday with its US counterparts by presenting proposals which might be agreed to during later talks by the top negotiators for Bangkok and Washington. The Thai negotiators, including Dr Thirana Phongmakhaphat, chief economic adviser to Suphachai, and Phatchara Itsarasena, permanent secretary of Commerce, have told US trade negotiators, led by Robert Cassidy, deputy USTR, that Thailand has drawn a line at providing a maximum five-year period for the protection of marketing rights for pipeline drugs.

The US trade officials have insisted that the pipeline period should be extended to seven to ten years. The atmosphere during the talks, however, was quite positive, the source said.

The US trade officials, initially, had thought that Thailand had done nothing to improve the protection of pipeline drugs. But on Tuesday Thai officials informed the US officials that exclusive marketing rights—allowing patent holders and licensees to monopolize new drugs—has indeed provided pipeline protection under Thai law for a limited period.

"The US officials came to understand that 'back-dated protection' is counter to Thai legislative principles. Washington, nonetheless, insisted that the exclusive marketing period should be seven to ten years," the source added.

US officials asked the Thai authorities to make amendments to the copyright bill, including a provision which would provide computer software more protection against copies made through "reverse engineering"—the practice of unravelling programmes based on their structure. Thai negotiators, however, informed their US counterparts that it was impossible for the Thai government to change the draft while awaiting readings at a Parliamentary session.

The source declined to predict whether Washington would be satisfied with the progress shown by the Thai side. "These are the ultimate positions which the Thai officials have outlined for US trade officials. The final stance will be taken by Suphachai during his talks with Kantor on Wednesday," the source explained.

Phatchara will delay his return to Bangkok until August 5 in order to attend a meeting of the World Intellectual Property Organization (WIPO) in Europe. Phatchara will attend the meeting on intellectual property right protection and the Commerce Ministry approved hid request to delay the trip yesterday. Thailand was, in late April, placed on on the US priority foreign country (PFC) watchlist for the third consecutive years due to deficiency of Thailand's patent law and inadequate protection on copyrights and is subject to the US economic retaliations under the US trade law.

Kantor, however, postponed the decision to retaliate to July 31, pending progress made by the Thai government during the period. Suphachai is now making an eleventh hour effort to avert US action. He is now in US with a team of top-level Thai officials for talks with US trade officials in Washington DC. His team comprises officials from Commerce Ministry, Foreign Ministry and the International Economic Affairs Policy Committee.

Vietnam

State President Issues Publishing Law

Part I

BK2807075993 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 24 Jul 93

[First part of "Full text" of Publishing Law passed by Ninth National Assembly Third Session on 7 July and issued by President Le Duc Anh on 19 July]

[Text] In order to guarantee the rights of creativity and dissemination of works by citizens; state organs; political, social, and economic organizations; and armed forces in the form of published products contributing to the assurance of the freedom of speech,

In order to strengthen the state management and develop the role of the publishing activity in the cause of fatherland construction and protection,

In pursuance of the 1992 Constitution of the Socialist Republic of Vietnam,

This law regulates the publishing activity.

Chapter One: Generalities

Article 1: The publishing activity belongs to the cultural and ideological activities through producing and distributing published products to many people. It is not a pure commercial activity.

The publishing activity aims at:

1. Disseminating works on politics, economy, culture, society, science, technology, literature, and arts and introducing the legacy of the national culture and the quintessence of the world culture in order to heighten the people's knowledge, meet the demand of the people's spiritual life, expand cultural exchanges with other countries, and contribute to the undertaking of construction and protection of the Vietnamese Socialist Fatherland.

2. Fighting against all ideas and actions which are detrimental to the national interests and damaging the fine characteristics, morality, and lifestyle of the Vietnamese people.

Article 2: The government guarantees the rights to dissemination of works under the form of published products of citizens; state organs; political, social, and economic organizations; and armed forces—which from now on are given the general term of citizens and organizations.

The government does not censor works before their publication, except in necessary circumstances decided by the prime minister.

Article 3: The government uniformly manages the publishing activity for the entire country. It has policies to subsidize, to order, and to purchase manuscripts for the creation and dissemination of valuable works. It invests in the application of modern science and technology to heighten the quality of the publishing activity.

Article 4: The publishing activity stipulated by this law includes the publication, printing, and distribution of published products.

The published products stipulated by this law are works on politics, economics, culture, society, science, technology, literature, and arts, and other products which are published, printed, or produced using different materials and technological means in Vietnamese, ethnic minority languages, and foreign languages under the form of irregular publications for distribution to many people.

Chapter II: Rights and Duties of Citizens and Organizations in the Publishing Activity.

Article 5: Citizens and organizations have the right to disseminate their works under the form of published products via publishing houses. They are held accountable under the law about the content of their published products and their copyrights are protected by the government.

Article 6: Citizens have the right to receive cultural, arts values and world and national achievements in science and technology under the form of published products. The government invests in the development of the library system, encourages and creates conditions for the publication of valuable works, and applies concessionnal policies on published products which serve the ethnic minority people, teenagers, children, and the armed force.

Article 7: Citizens and organizations have the right to criticize the publishing activity and published products and to complain and accuse organizations and individuals who violate the stipulations of this law. They are responsible for their criticism and accusation.

Citizens and organizations have the rights to demand publishing houses and authors to correct errors in newspapers, to file civil charges, or to request authoritative state organs to file criminal charges when published products carry a content of falsity and calumination that damages their honor and dignity or causes loss of benefits.

Article 8: No organization and individual is allowed to interfere with the dissemination of works and the legitimate activity of publishing houses or to take advantage of the rights to disseminate of published works and the rights to the publishing activity to cause damage to the state interests and legitimate interests of citizens and organizations.

Publishing houses are not allowed to publish and republish works without permission of authors or their legitimate heirs according to legal stipulations on copyrights.

Part II

BK2907035593 Hanoi Voice of Vietnam Network in Vietnamese 0800 GMT 24 Jul 93

["Part II" of Law on Publication passed by the Ninth National Assembly's Third Session on 7 July]

[Text] **Chapter III: Organization and operations of publishing houses**

Section One: Publishing houses

Article 9. Publishing houses belong to state agencies or social or political organizations and must operate strictly in accordance with the characteristics and goals outlined under Article 1 of this law.

Article 10. The organ in charge of a publishing house is responsible for applying for a permit to establish that publishing enterprise, as well as for directly overseeing all of its activities. The organ in charge has the following rights and duties:

1. Define the guidelines and goals of the publishing house, assume responsibility for directing the implementation of guidelines and goals, examine publishing plans and themes based on final drafts, and secure necessary conditions for the publishing house to operate in strict accordance with set guidelines and goals.

2. Appoint directors and editors-in-chief, remove them from office, or dismiss them after obtaining the approval of a state agency in charge of overseeing publishing activities.

Article 11. Directors and editors-in-chief of a publishing house must hold Vietnamese citizenship, have permanent addresses in Vietnam, and meet all requirements set by the Vietnamese Government. Directors are responsible for overseeing all aspects of publishing activities and for establishing the conditions for the publishing house to operate according to set guidelines and goals and subsequently fully meeting the demands of the readership. They are dutybound to help develop the editorial staff, must sign drafts or forms before they are sent to press, and must be responsible for all activities of the publishing house.

Directors and editors-in-chief must be accountable before the law for the products of a publishing house. The organ in charge of a publishing house and the state agency in charge of overseeing publishing activities must also be liable for those products based on their specific rights and duties.

Article 12. To establish a publishing house, the organ in charge must send an application form to the state agency in charge of overseeing publishing activities as stipulated under Article 33 of this law. The completed application form must contain the following information:

1. The name, guidelines, purposes, and objectives of the publishing house, making sure that the domains covered by its publishing activities be consistent with the functions and duties of the organ in charge.

2. The list of directors and editors-in-chief.

3. The location of the publishing house's office, as well as its capital and other necessary assets in support of its publishing activities.

Article 13. Upon receiving a permit from the state agency in charge of overseeing publishing activities, the organ in charge must complete the procedures on formation of publishing establishments before it can start publishing operations.

Article 14. If no copyright deposit is made within 180 days from the date the permit is issued, that permit will become invalid and will be revoked.

Article 15. If a publishing house is operational but fails to make a copyright deposit within a 90-day period, its permit will become invalid and will be revoked. If a publishing house fails to comply with the guidelines and goals defined under the permit, the state agency in charge of overseeing publishing activities shall make a decision suspending its operations, keep the organ in charge informed of that move, and revoke the permit to establish that publishing house.

Article 16. If the organ in charge wishes to change the name, guidelines, and goals of its publishing house, it must apply for a new permit. Directors and editors-in-chief must comply with point 2 under Article 10 of this law. If the office of a publishing house is relocated, the organ in charge must notify the state agency in charge of overseeing publishing activities of such a change within two days from the moving date at the latest.

Article 17. No printing, reprinting, or roneo printing of documents, materials, textbooks, teaching materials, audio cassettes or audio discs, and video cassettes or video discs of a certain author or organization is allowed without the express consent of that author or organization. Regarding those works published before the August [1945] Revolution or in the former enemy-temporarily controlled areas and those works translated from foreign languages, steps must be taken to review their contents first. Next, the publishing house and the organ in charge of that publishing house must make comments and recomendations to the state agency in charge of overseeing publishing activities so the latter can make decisions on printing or reprinting. The government determines the kinds of works which need to be reviewed.

Article 18. A publishing house must carry out the printing or reprinting of works in accordance with the contracts signed with the authors concerned. A publishing house is responsible for publishing works of citizens and organizations if the contents of those works are suitable with its set guidelines and goals, and are not at variance with the provisions specified under Article 22 of this law. The state agency in charge of overseeing publishing activities has the power to determine practical provisions governing the printing of prayer books and other religious materials of the various religions at its convenience.

Regarding those provinces and cities under the direct management of the central government where publishing houses are nonexistent but there is a need for the printing of noncommercial materials, the agencies concerned should make recommendations to the state agency in charge of overseeing publishing activities so the latter can study and respond to that need in accordance with government regulations. The printing and roneo printing of those research documents or teaching materials for internal distribution purposes among the various organizations shall be determined by the government.

Article 19. Joint printing and publishing ventures among Vietnamese organizations or citizens, as well as printing and publishing joint ventures with foreign nationals must be approved by the state agency in charge of publishing activities and must conform with other provisions specified under the law.

Article 20.

1. Each publication must have a title, bear the name of its author, publishing house, person responsible for publication, editor, layout worker, proofreader, registration number, printing and letter composition office, number of copies, date of publication and registration, retail price, and category number. For publication of its revised editions, the number of each edition must be given. For translations, the name of the translator and the language of the original work, its author, original publisher, year of publication, and editor must be given.

2. Items produced in the form of audio cassettes or audio discs and video cassettes or video discs and so forth must carry the names of the author, producer, editor, original source, registration number, number of copies, date of publication and registration, retail price, and category number.

Article 21. Two days after a publication has been printed, the publishing house must submit a copy for registration at least seven days before circulation. Publishing houses must submit their products for registration in accordance with government regulations. State management and registration agencies are responsible for reviewing the contents of these products and promptly deal with them if found to be violating Article 22 of this law.

Article 22. Publication of the following material is strictly prohibited:

1. Material detrimental to the Socialist Republic of Vietnam or the unity of all its people.

2. Material inciting violence or war of aggression, fomenting hatred among nationalities and peoples of various nations, propagating reactionary concepts and culture, disseminating a degenerate or decadent lifestyle; promoting crime, social vice, and superstition; and damaging good Vietnamese morals and customs.

3. Material revealing party, state, military, national security, economic, and foreign affairs secrets; secrets involving the personal lives of citiziens; and other secrets stipulated by law.

4. Material distorting history, rejecting revolutionary achievements, discrediting great Vietnamese men and

national heroes, or slandering and damaging the prestige of organizations or the dignity of citizens.

Section Two: Printing

Article 23. Printing establishments of private organizations can be established and operated only after being licensed by the authorized state publication management agency and after complying with other regulations as prescribed by law.

Article 24. Printing establishments can only print authorized works and publications. They cannot print works and publications which the authorized state publication management agency has decided to confiscate or ban from circulation.

Article 25. Printing establishments can only print those works and publications under economic contracts signed with publishing houses in accordance with stipulations in this law and other provisions in the Law on Contract. The printing of other works and publications shall be defined by the government.

Article 26. Printing establishments must immediately inform state publication management agency of all works and documents carrying material in violation of Article 22 of this law. When the state publication management agency decides to withhold printing of material belonging to a publishing house, that publishing house must pay compensation to the printing establishment. If the state publication management agency makes an erroneous decision, it must pay compensation to the publishing house in question.

Section Three: Circulation of Publications

Article 27. The state circulation organization is responsible for circulating publications to various locations. The government shall provide financial assistance for the circulation of publications to areas of ethnic minorities, mountain regions, offshore islands, and remote areas.

Article 28. Publishing houses can sign contracts with state circulation organizations to circulate their publications. They shall also be permitted to circulate their publications by themselves or appoint authorized private business organizations to circulate for them.

Article 29. Private business organizations engaging in the circulation of publications can operate only after receiving licences from the authorized state publication management agency and after complying with other regulations as prescribed by law.

Article 30. The export and import of publications must be in accordance with this law and other provisions of the Law on Export-Import.

Article 31. No private organizations are allowed to circulate publications which have been ordered conficated or banned from circulation by the state publication management agency. Private circulation organizations must immediately inform the state publication management agency of all illegal publications or those containing material violating Article 22 of this law. When the state publication management agency decides to confiscate or ban circulation of a publication, the publishing house of that publication must pay compensation to the private circulation organization. In case the state publication management agency makes an erroneous decision, it must pay compensation to the publishing house in question.

Australia

Asian Military Modernization 'Not' Alarming

BK2807103293 Melbourne Radio Australia in English 0800 GMT 28 Jun 93

[Text] Australia's top diplomat says Canberra is not alarmed by the modernization of military forces being undertaken by Asian nations. Michael Costello, the new head of the Department of Foreign Affairs and Trade, has rejected claims of a regional arm race in Asia. He said in his first public speech in the post that Australia remains concerned by North Korea's nuclear program and the potential for dispute over areas like the Spratly Islands in the South China Sea. Mr. Costello said special attention needed to be paid to the proliferation of weapons, hence Australia's effort to limit the spread of missiles and chemical and biological weapons.

Minister Presents Proposal on Nauru Settlement

BK2807094093 Melbourne Radio Australia in English 0800 GMT 28 Jul 93

[Text] Australia's Minister for Pacific Island Affairs Gordon Bilney has held talks in Nauru in a bid to settle a legal dispute between the two countries. Nauru is suing Australia for at least $70 million in the International Court of Justice for damage caused by phosphate mining during Australia's administration of Nauru as a trust territory before independence in 1967.

Although Australia denies liability, Mr. Bilney presented a proposal to Nauru President Bernard Dowiyogo which has the approval of the Australian cabinet. No details have been released.

Government Examines Claims Against Indonesian Troops

BK2907055893 Melbourne Radio Australia in English 0500 GMT 29 Jul 93

[Text] The Australian Government is investigating claims that Indonesian troops who have trained in Australia were part of an army unit has been accused of killing more than 2,000 Indonesian civilians.

The human rights organization, Amnesty International, says the Indonesian military's KOPPASUS - military special forces unit - has used counter-insurgency operations in the Aceh region of North Sumatera as an excuse for torture and detention of innocent civilians.

Amnesty has written to Australia's Defense Minister Robert Ray calling on the government to suspend defense exchanges with the KOPPASUS unit. A spokesman for Senator Ray said Canberra will consider the allegations in responding to Amnesty's letter. About 30 members of the Indonesian special forces unit took part in a defense exchange with the Austrlian army in June. The spokesman said the KOPPASUS troops took part in communications, field and political exercises at training facilities near Perth in Western Australia.

Annual Inflation Rate Remains Below 2 Percent

BK2807093493 Melbourne Radio Australia in English 0500 GMT 28 Jul 93

[Text] Australia's annual inflation rate remains below 2 percent. Adrian Fursk reports of the latest figures show a subdued movement in consumer prices.

[Begin Fursk recording] During the June quarter, the consumer price index moved up just 0.4 percent resulting in an annual rate of inflation of 1.9 percent. The small quarterly increase is due to higher local government rates and charges, mainly in Victoria, and a jump in cigarette, beer, motor vehicle, and petrol prices. Helping keep a lid on inflation were falls in fresh fruit and vegetable prices, overall by 15 percent, and lower consumer credit charges. With inflation clearly under control, the chances are now greater for a cut in official interest rates. Whether it comes before or after the federal budget is the question yet to be answered by the Reserve Bank. [end recording]

Immigration Drops by 36 Percent

BK2307084593 Hong Kong AFP in English 0623 GMT 23 Jul 93

[Text] Canberra, July 23 (AFP)—Immigration to Australia dropped by 36 percent for the first five months of this year compared to the same period last year, according to official data released Friday. The Bureau of Statistics said arrivals from all of Australia's major immigration sources were down except those from the former Yugoslav republics which had risen from 300 in May 1992 to 520 in May this year.

The immigration figure for May—5,160—was 34 percent down on May 1992. The drop coincides with a reduction in the immigration intake because of economic downturn and high unemployment.

At the same time, permanent departures from Australia rose three percent in May, compared to May 1992, to 2,390.

However, the bureau said the trend estimate for short-term arrivals of overseas visitors had continued to show strong growth, the May trend estimate rising by two percent to 254,600. The seasonally adjusted estimate rose 10 percent to 263,900 compared to April 1993. In May 213,400 short term visitors came to Australia, slightly down from 226,300 in April but well up from 175,200 visitors the previous May.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.

last year, and together they will make up a pillar in the "Japanese Market Access Promotion Program" being considered by the government. The import promotion areas involve constructing bonded showrooms and warehouses on or around airports or seaports. Last spring, the ministry approved local governments' plans on building such facilities in seven areas, including Kansai International Airport. Mostly, local import businesses will gather in those areas.

In the investment promotion model zones, the purpose is to attract production, distribution, and main office operations of foreign companies into them. Emphasis will be placed on preparing conditions to facilitate the entry of foreign companies.

Specifically, the plan is to provide office buildings, houses, and apartments to foreign companies at low rental rates. The ministry wants to bring into the zones medical institutions, which can operate in foreign languages, as well as school facilities.

Even though the projects will be of a third-sector nature, local governments are expected to play a leading role as in the case of forming import promotion areas. The central government will provide funds from the Industrial Base Buildup Fund, and the Japan Development Bank will provide low-interest loans for construction of offices. The government is thinking about making the Japan Development Bank loans also available to domestic businesses operating in the zones in order to promote dealings between the foreign companies and local distributors within the zones.

It is likely that local governments of city and township levels will be charged with creating the model zones. The ministry is considering having them around existing industrial zones as well as allowing some import promotion areas named as investment promotion model zones in dual roles. The MITI will hasten with the work of laying legal ground like revising the "Law for Promotion of Imports and Domestic Investment Projects" which has been in effect since last year. The ministry wants to begin naming the zones in 1994.

Foreign companies' direct investments in Japan amounted to $4,084 million in 1992, and this is only one-eighth of what Japanese firms invested overseas during that year. American and European companies, meanwhile, are continuing to complain about problems in advancing into Japan, citing high costs to rent offices and housings, for instance.

The U.S. Government—with its eye on the Japan-U.S. comprehensive talks beginning in autumn—has blamed the imbalance in investments on the closed nature of the Japanese market. The MITI has come to believe it needs a plan on expanding investments from the viewpoint of easing the friction with other countries as well.

'Kasumigaseki' Column Views Home Affairs Ministry

OW2507004893—FOR OFFICIAL USE ONLY

[Editorial Report] Tokyo NIHON KEIZAI SHIMBUN in Japanese on 28 June and 5 July carries parts three and four of the "Kasumigaseki at Crossroads" series on the Ministry of Home Affairs [MHA].

Part three, an article by Kotake, Tokyo Economic News Department reporter, carried in the 28 June morning edition on page 5, is entitled "Home Affairs Ministry Outgrowing Interior-Oriented Policies." The article focuses on the ministry's organizational reform aimed at catching up with trends of the age of internationalization and information.

At first, the article introduces MHA's 1 April decision to establish the "International Affairs Office" and the "Information Administration Office." While the two offices are still very small, MHA officials say they are "symbols of broadening duties of the local government administration." International Affairs Office Director Toshiaki Kitazato is quoted as saying: "The MHA has been meant for closed local communities, but they are becoming open to the outside world. We now need some system to support the new trend."

The article notes: "One of the most fundamental duties of the International Affairs Office is to promote local governments' friendly exchanges with foreign countries." In other words, the office has the primary control over allotment of the MHA budget to aid local governments' personnel and cultural exchanges with foreign countries. The office also conveys the MHA's opinion on local governments' role in international contribution programs and in multinational trade talks. In connection with the GATT Uruguay Round talks, the office intends to "map out guidelines on ministerial ordinances to eliminate local-level nontariff barriers."

The Information Administration Office is currently designing new computerized information networks which may be adopted by local governments seeking community information services. The office is working on the "community network plan" to develop on-line services, which provide medical, reservation, and library information.

After introducing the two offices, the article notes MHA's positive attitude toward organizational innovation and says: This is primarily because MHA wants to catch up with the new demands of local governments, but MHA itself has been trying to overcome "bureaucratic sectionalism from the time of the former Internal Ministry." In conclusion, the article says MHA officials are intentionally reforming the ministry's bureaucratic sectionalism and near-sighted approaches.

The 5 July morning edition of the paper on page 9 carries the fourth and last installment of the series on the MHA. The article, by editorial writer Miho Morino, is entitled "Broadening Personnel Network," discusses personnel network of former MHA officials who are currently serving as local government leaders.

According to the article, 16 out of 47 governors in the nation are former MHA officials. In the introduction, the article describes cooperative relations between the Tokyo Metropolitan Government and the Kagoshima Prefectural Government, and says Kagoshima Governor Yoshiteru Tsuchiya used to be the most favorite subordinate of Tokyo Governor Shunichi Suzuki when both of them worked for the MHA.

Under the ex-MHA governor, the Kagoshima government is positively using capable MHA officials in important posts on temporary duty. Anyu Sawai, director of the MHA Policy Planning Office, once served as director of the General Affairs Department of the Kagoshima government. In the MHA, Sawai has always served as a specialist on urban planning, but he was appointed as manager of the Kagoshima government. As a long-term strategy, MHA seeks the position of an "economic ministry which promotes local governments' independent public projects." In connection with this, "Sawai served as a mediator to steadily promote projects on construction of highways, parks, and water supply systems as independent projects because the Construction Ministry is unable to comply with all demands from local governments."

The article points out that MHA is positively helping independent projects of Gifu Prefecture where ex-MHA official Tadao Iwasaki is serving as the vice governor, and adds: "Utilization of national treasury has its limits since we have to design projects within national standards. When Gifu Prefecture wants to build something unique, it is much better to do it as an independent project."

In conclusion, the article stresses that prudent morality is a must for these ex-MHA local leaders who mediate between the national and local governments. This is because the MHA-local relations often involve economic interests.

SRV Refugee Boat Picked Up in Okinawan Waters

OW2807110393 Naha OKINAWA TIMES in Japanese 28 July 93 Morning Edition p 21—FOR OFFICIAL USE ONLY

[Text] While wooden ships, believed to be refugee ships from Vietnam, have been found around Okinawa one after another recently, one more with 21 aboard was found near Miyako Island on 27 July. The people on the boat were transferred to Naha on the same day. The boat is the fourth found in July and the sixth found this year off Okinawa's islands. The people who have come on such boats so far total 146. If those found off islands of Kagoshima Prefecture are included, a total of 274 people on nine ships have been found so far this year.

The captain of the latest ship has an identity certificate showing him to be Vietnamese, and he was reported to have said he "wanted to come to Japan." While the Naha branch office of Fukuoka Immigration Bureau thinks they are "Vietnamese refugees," they will question the people to find out such details as their route of sailing. The Hong Kong Governor's Office and the Foreign Ministry's Human Rights and Refugee Division have hinted at the possibility of them being "Vietnam-born Chinese," a large number of whom flowed into Hong Kong via Guangxi Province, China, recently. (A report from Hirara Island follows.)

Fishing boats from the Irabu Fising Association found a wooden boat believed to be laden with Vietnamese refugees in the open sea about 37 km north-northwest of Irabu Island around 1150 [0250 GMT] on 27 July, and reported it to the Martime Safety office in Hirara. A patrol boat of the office conducted an on-board inspection of the ship when the latter came within Japan's territitorial waters—about 16 km northwest of Ikema Island. The ship was subsequently led to a dock at Hirara port. On board were a total of 21 Southeast Asians (15 male and 6 female), including two children.

These 21 people were taken to the Naha New Port by a patrol boat of the 11th District Martime Safety Headquarters shortly past 2300 the same day, and were subsequently accommodated at the Naha Port Joint Office building. The Naha branch office of the Fukuoka Immigration Office will start formal questioning of them on 28 July.

According to the investigation conducted by the maritime office, a man named Hwan Jia Chien (43 years of age) [name as published] was the captain of the boat. He had an identity certificate showing him to be Vietnamese, and told the maritime office he "wanted to come to Japan." The captain had five family members in addition to a 14-year-old son and a 10-year-old daughter.

The people left Haiphong near Hanoi on a 10-ton ship of 10 meters in length and 3 meters in width on 22 May. The ship stopped over in China and Taiwan, leaving the latter on 17 July. It became lost while sailing toward Kyushu. The ship was sailing toward a shadow of an island when it was found. It was carrying 600 liters of fuel, 200 kg of rice, and 100 liters of drinking water.

MITI Official on U.S. Trade Talks Framework

OW2807111493 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Jul 93 Morning Edition p 3—FOR OFFICIAL USE ONLY

[Interview with Sozaburo Okamatsu,deputy vice minister of the Ministry of International Trade and Industry, by Naoaki Okabe of the editorial staff; place and date not given; first paragraph is editorial introduction]

[Text] Although an agreement was made concerning a framework for Japanese-U.S. comprehensive economic talks, there is a notable gap in understanding between the two countries over its interpretation. It seems that the gap suggests that Japanese-U.S. talks, which will start this fall, will face difficulties. The Clinton administration, which places importance on results, strongly expects Japan to liberalize its market in the wake of political changes. How will the fluid political state affect a Japanese-U.S. coordination process? We interviewed Sozaburo Matsuoka, deputy vice minister of the Ministry of International Trade and Industry [MITI], who is in charge of negotiations with the United States.

It Is Not Future Goal

[Okabe] Although Japan and the United States agreed on a framework for comprehensive talks, it seems that there is a gap in understanding between them.

Okamatsu: "It is true that the United States had concrete figures, including the ratio of Japan's current account balance of payment over its gross domestic production (GDP). However, because we could not make a pledge in terms of figures, we incorporated our ideas [in the agreement] regarding the direction of the talks. We did not promise anything except the points that are stated in the agreement. They may be saying that we made a pledge by showing concrete figures, but I have to say that we did not."

"An objective criterion in an individual field is a phrase used to refer to actual achievements of the past. It does not indicate a goal for the future. People who are fluent in English also say that. I think it was understood that the phrase did not mean goals for the future."

[Okabe] Then what does the objective criteria in government procurement and in promoting auto imports mean?

Okamatsu: "The principle of the Japanese-U.S. two-way agreement is the important point. If the United States calls for some sort of standard, then we can do the same to them: for example, standards for efforts by Japan and the United States, and for an increase of actual imports in the past.

Mutual Efforts Are Important

[Okabe] The principle is to make efforts within the jurisdiction of government control. Some people are worried that this jurisdiction of government control may expand during the process of negotiations.

Okamatsu: "There is a limit because we are in a free economic system. The United States may think that the jurisdiction of government control in Japan covers fairly big areas. However, due to the principle of the two-way system, the Japanese Government does not have to unilaterally expand the domain of its influence unless the U.S. Government does the same."

[Okabe] Regarding retaliation, U.S. Government authorities are being criticized at home for the agreement that they would write opinions of both governments side by side.

Okamatsu: "To Japan, it would be unfair if it turned out that Japan's efforts pulled a trigger for retaliation in return. The agreement says that if retaliation is applied, then we can suspend negotiations in a particular field on which retaliation is imposed. By doing that, we think that we can apply the breaks on the unilateral application of Article 301 of the U.S. trade law."

[Okabe] Why do you think the Clinton administration is placing an importance on results and quantities?

Okamatsu: "To the United States, Japanese-U.S. talks have not produced the outcomes that the United States had expected. We argued about the structural problems at the Structural Impediments Initiative [SII] talks because the debate over visible issues turned out to be fruitless. But, the SII talks also ended in failure. Therefore, they begun to think that it is necessary to promote discussions by clarifying goals. As a concrete and successful example, they cited the semiconductor accord. The semiconductor case was a success not because the Untied States, by setting a 20-percent goal, imposed a sanction during the term of the accord. Mutual effort and cooperative ties are important. The United States has broken off the process of negotiations halfway, citing Japan's failure to answer U.S. trade demands and other reasons. The United States is showing a bit of irritation. The problem is that discussions on bilateral negotiations have yielded little progress because of the lack of effort by the United States.

"The United States began to see things in a short-term perspective because an interim election is scheduled to be held next year. Perhaps it felt that it would face troubles in dealing with the Congress unless it soon spells out a framework for the comprehensive talks."

Japan To Reduce Trade Surplus in Terms of Midterm Perspectives

[Okabe] The Clinton administration strongly feels the need for post-cold-war economic strategies toward Japan.

Okamatsu: "Security, politics, and the economy are three pillars of Japanese-U.S. ties. But, unlike the previous instances of Japanese-U.S. ties, the economy has become a prime issue. Although we always had economic problems, they were not much of a prime issue. Rugged rocks are beginning to appear as the waves have subsided. Now the argument over economic issues is escalating between the two countries. With the comprehensive talks, we need to find a system under which Japan and the United States can cooperate smoothly."

[Okabe] Do you not agree with the view that as the balance between savings and investment indicates, the imbalance between Japan and the United States cannot be revised easily?

Okamatsu: "The current-account balance of payments, which is in the black, is not at a normal level. We introduced various measures, including the comprehensive economic plan, to expand our domestic demand and to reduce the surplus. However, an impact of the J-curve or the appreciation of the yen made the measures less effective. Because both countries have a problem in maintaining a balance between savings and investment, I am not of the opinion that the surplus will be reduced significantly this year or next year. Because of this, we are making pledges to be realized in terms of midterm perspectives."

[Okabe] President Clinton expects that Japan will shift to a consumer-oriented system and will open up its markets in the wake of political changes. What kind of impact do you think the fluid state of politics will have on the process of attaining coordination between Japan and the United States?

Okamatsu: "On the basis of historical facts, Japan and the United States must maintain good relationship. I think this fundamental line will not change no matter who forms the next government. I think it is acceptable to both sides to say that on the basis of this line, both countries will continue to promote constructive discussions within the framework of the comprehensive talks. I think that there will be no major changes as long as we maintain this principle.

Shiwaku Meets GATT's Sutherland, Urges Rice Exemption

OW2307055893 Tokyo MAINICHI SHIMBUN in Japanese 23 Jul 93 Morning Edition—FOR OFFICIAL USE ONLY

[By Yoshiaki Ito; received via Nikkei Telecom Database]

[Text] Geneva, 22 Jul—Jiro Shiwaku, deputy vice minister of agriculture, forestry, and fisheries, met with Peter Sutherland, general secretary of the GATT, at the GATT's Secretariat office on 22 July. As for the issue of opening up the rice market, Shiwaku insisted that a revision should be made the final draft agreement in the Uruguay Round of talks which calls for tariffication of all imports without exception. Shiwaku told Sutherland, "Under the given circumstances, it is extremely difficult to revise the related domestic laws. Besides, it is impossible to persuade the people concerned in Japan."

Deputy Vice Minister Shiwaku noted that 1) all political parties in Japan made public pledges in the recent general election that they will not accept the tariffication of rice, and that 2) the political situation being murky at present, it has become more difficult than before to revise related laws, although such revision is necessary in case the tariffication is to become real.

In the meeting, the deputy vice minister also talked about the final draft agreement on tariffication presented at the end of 1991, and he pointed out that various revisions would become necessary as a result of the agreement (Blair House accord) concerning the agricultural sector between the United States and the EC. He made his appeal, maintaining: "For our nation, rice production is a matter of life or death. People in the country will not be able to understand it if you are not willing to lend your ears to the issue of exempting rice."

To this appeal, General Secretary Sutherland only said, "The Uruguay Round is now faced with a crisis. If the round bears no fruit, the structure of GATT will collapse. I hope Japan will choose to make more contributions."

Wholesalers Increasing Imports for Discount Sales

OW2307090793 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Jul 93 Morning Edition p 18—FOR OFFICIAL USE ONLY

[Text] Smaller food and daily goods wholesalers are beginning to increase imports of foreign-made goods. To overcome prolonged market recession, these aggressive wholesalers are seeking new markets occupied by discount houses. In addition, they are taking part in quality control efforts of foreign manufacturers. Since the Japanese distribution market is often criticized for not recycling profits from recent appreciation of the yen rate, consumers are keeping an eye on moves of these independent importing companies.

Chuo Bussan Corp. has been selling Western-made home linen to department stores, but it has begun to sell Pakistani-made bathing linen to discount stores. Chuo Bussan is offering technological assistance to Pakistani manufactures, and imports high-quality goods at cheaper prices. The company plans to import Chinese- and Indonesian-made bedsheets as well as Turkish-made bathing linen.

Tokyo-based Japan Liquor Sales Corp. (president—Nobuyoshi Shinoda; phone 03-3273-1751) has drastically increased imports of escargot, smoked salmon, and canned French food. Japan Liquor has been selling these to famous restaurants and hotels only, but it is now seeking new consumers among drive-in restaurants and liquor stores.

Meat importer Shinwa (president—Junji Wakamoto; phone 06-683-2777) in Osaka is going to import processed beef from the United States. If the product becomes popular among Japanese consumers, Shinwa would give an independent brand to the processed beef. The product will be sold at supermarkets and co-op stores.

Kitoku Corp., a rice wholesaler in Tokyo (president—Ryo Kimura; phone 03-3571-2181), began to import grains from Vietnam in June. Kitoku is trying to deal with nonrice grains to strengthen ties with existing customers.

Japan Beer Corp., a Tokyo-based beer importing company (president—Shigeru Uchida; phone 03-3446-0456), is opening a liquor shop chain to sell 600 brands of imported beer. Tokyo-based wholesaler Marugen Beverage Industries Ltd. (president—Toshiyuki Abe; phone 03-3617-0121) is selling orange juice to individual consumers through Adams Japan Corp., its subsidiary in Florida.

Tokyo To Use New Classifications for ODA

OW2307094993 Tokyo YOMIURI SHIMBUN in Japanese 15 Jul 93 Evening Edition p 1—FOR OFFICIAL USE ONLY

[Text] On 15 July, the government firmed up its decision to classify developing nations into four groups, according to their economic development, and extend Japan's official development assistance (ODA) based on the new classifications. The new classifications have been devised to embody Japan's "philosophy of assistance," which is composed of ideas such as: 1) ODA in the form of yen credits yields better results than outright, interest-free grants, depending on recipient countries; and 2) Japan needs to correct its ODA program because it often has been criticized as excessively favoring Russia. Japan has become the largest ODA contributor in the world. It has asserted that "the solution of the North-South economic imbalance is the key to forming a new order in the post-cold-war era." Based on this idea, the government will use the new classifications in setting next year's ODA budget, hoping to play a leading role in the international community in assisting developing countries.

During the recent Tokyo summit (of the G-7 nations), the United States and European countries insisted that ODA should center on outright grants, while Japan stressed the effectiveness of ODA in the form of loans and credits. In the end, other G-7 nations accepted the Japanese idea and agreed to incorporate into the Tokyo summit's economic declaration the passage that "we will pursue (aid), tailored to the needs and performances of each country at its particular stage of development." Following the issuance of the economic declaration, the government devised the new classifications. It plans to give a full account of the new formula in its ODA white paper, which will be issued this fall, and to seek support for the new formula from countries receiving ODA.

The classification into four groups has been made in accordance with the World Bank's financing regulations, and is based on per capita gross national product (GNP) of countries receiving ODA. Among Asian countries, Bangladesh and Cambodia are "in the lowest classification" in terms of GNP, the Philippines and Indonesia "in the medium classification," Thailand and Malaysia "in the second highest classification," and Singapore and South Korea "in the top tier."

The new classifications will allow for a wider combination of grants, yen loans, and technical aid. For example, countries in the lowest classification will be given smaller grants, and emphasis will be placed on technical cooperation to help them build schools and public hygiene facilities. Countries in the medium classification will be given less outright grants, but will be provided with yen loans. Countries in the second highest classification, which have a high repaying capacity, will be provided with yen loans to help them carry out large-scale public works projects for better infrastructure.

Some countries in the top classification will not receive yen loans. Instead, they will be provided with technologies to prevent pollution and nurture small and medium-sized businesses so their industrial bases will be strengthened.

Despite its technical and financial cooperation, Japan, which budgeted $11.1 billion for ODA in fiscal 1992, has been criticized for its low ratio of grants (the ratio of grants and technical cooperation to the entire ODA).

* MITI, MOF in Power Struggle Over Spending

932B0157A Tokyo SEIKAI ORAI in Japanese Jun 93 pp 64-67—FOR OFFICIAL USE ONLY

[Article by Taro Wako, economics journalist: "Major Action by MITI on MOF Cut in 'New Social Infrastructure' Concept"]

[Text] *The financial resources for the largest economic measures in history were set at 13.2 trillion yen on 13 April. The attention-getter this time is provision of new social infrastructure which was strongly promoted by the Ministry of International Trade and Industry [MITI]. As usual, the Ministry of Finance [MOF] purse strings were tight, but it was Hiroshi Mitsuzuka, chairman of the Policy Affairs Research Council, regarded as the number-one person in the post-Miyazawa era, who loosened them.*

Bureaucrats Borrow Power of Politicians To Realize Policies

The political life of former Liberal Democratic Party [LDP] vice president Kanemaru, who played the role of peacemaker in politics, has ended and the Takeshita faction, which had been the largest faction, has split into "ordinary factions." At the same time as the political world lost its centripetal force, the government office district of Kasumigaseki also lost the "control tower" for dealing with it. Regarding the current LDP situation, MOF officials unexpectedly said at a meeting that "there are many skippers saying what they please. Since we must save the honor of the trumpeting by politicians, the scale of the economic measures will not be curbed," revealing their resentment of politicians who were flocking to the MOF in a game of grabs.

Previously, it had been an era when it was not necessary to be so concerned about Diet management or the trends of other factions if the understanding of the Takeshita faction were obtained. However, at the same time as chaos in the political world has been increasing the work of government officials, the multipolarization of the political world also has been tied to a relative strengthening of the voice of MITI and others with strong ties to politicians. This was to be seen later in the process of deciding the comprehensive economic measures.

"Viewing the next 10 years, four people within the LDP—Ozawa, Hashimoto, Hata, and, I venture to say, Koichi Kato—will run the whole government." Sensitive antenna constantly are spread out on the trend of politics to the extent that such a conversation can be heard during the day in the MOF.

A decision by a government office alone is not enough for the government office to move a policy to implementation. A policy moves to implementation for the first time after Diet deliberation.

For the work of government offices to be carried out smoothly, policy will not be concluded without cultivating politicians who understand. It is meaningless without a powerful politician as a sympathizer.

The MOF had a fat pipeline to the Takeshita faction because of this significance.

Episodes such as this of the days when Takeshita was finance minister are repeatedly told in the ministry even now. It was the custom that changes in the official rate could not be made when budget deliberations were held in the Diet. Because interest levels are written into the general provisions of the budget document, the budget bill would have to be submitted to the Diet once again for interest changes during the Diet session. This was considered mainly a tactic used by the opposition parties on Diet measures, and, dut to this fear, the MOF did not set its hand to changes in policy interest rate during deliberations.

When Takeshita was finance minister, however, it is said that when government officials conferred with Finance Minister Takeshita, he slapped his chest telling them to leave Diet measures to him.

Actually, interest rates were changed at this time and the Diet continued budget deliberations with the original budget document. Since then, the custom was changed so that interest policy could be exercised with maneuverability without relation to Diet deliberations. MOF confidence in Takeshita is said to have taken root from this time.

Takeshita's power was clearly distinct from other strong men in the LDP on the point that his power not only unified the LDP, but also extended to the opposition parties.

In the current situation, this control system has crumbled and both Ozawa and Hata, upon whom the MOF relies, are right in the middle of pouring all their effort into political reform. In the important party posts are Mitsuzuka, chairman of the Policy Affairs Research Council; Shizuka Kamei of the same faction, deputy chairman of the Policy Affairs Research Council; Kabun Muto of the Watanabe faction, up until just a while ago chairman of the party Tax Research Council; and Seiroku Kajiyama, secretary general, all only connections with whom the MOF does not have that fat of a pipeline.

The further restrictions on Takeshita's actions since the revelation of the case of tax evasion by former vice president Kanemaru have spurred the chaos in the political world.

During this chaotic situation, it has been MITI which has especially made inroads in the Mitsuzuka-Kameii line of the Policy Affairs Research Council which is in charge of party policy. Mitsuzuka has had experience as minister of MITI and has a fat pipeline with MITI.

Provision of New Social Infrastructure Is Collaboration Between Mitsuzuka and MITI

It can be said that there are three attention-getters in the recent supplementary economic measures. One is the handling of an income tax cut. The second is the provision of new social infrastructure which Mitsuzuka spelled out as a concept. The third is the scale of the supplementary measures. Since the MOF has shown diehard opposition to an income tax cut, incorporation within the supplementary measures will be postponed and it seems that it is at a standstill, with discussion to be held in the tax system deliberations this fall and thereafter.

The provision of new social infrastructure has become an attention-getter in the recent supplementary measures. It is said that this concept originally was proposed by MITI.

The MOF's purse strings are tight, as seen in the income tax cut. It is the "provision of new social infrastructure" undertaken as a package including financial resource measures that has attempted to destroy that. The wisdom of government officials is profound. The MOF has clamped down on construction bonds and stubbornly will not budge on the issue of deficit bonds to shoulder personnel costs and expenses.

Since this is a battle in which the honor of MOF is at stake, it will not change if one or two ministers lose their job. As opposed to the redemption period of 60 years for existing construction bonds, the target of new social infrastructure is provision of an information base and national public hospitals and universities and other basic facilities.

The idea is that the bonds issued for these will be perceived to be in the category of construction bonds, and will have a shorter redemption period of 30 years compared to regular construction bonds. It really is a clever idea conceived by MITI officials who excel in wisdom.

The beauty of it is that it has caught the interest of MOF. It is the habit of government officials to be weak in theory. If it is logical at a glance, they will be convinced.

They have tried to put the MOF into the arena under the name of new construction bonds, without saying deficit bonds. With Policy Affairs Research Council chairman Mitsuzuka as the front man, they have tried all at once to persuade the MOF, which is hesitant about issuing bonds. Since their lifespan is short, investment in computers, etc., does not become the subject of public works projects. They are treated as expendables under the Finance Act.

Glancing at the new social infrastructure provision, it is not known how much it will help the computer industry, which is gasping in difficult straits, if large computers can be procured with government funds under a justifiable name. Behind the new social infrastructure provision concept of MITI is hidden joint public and private action to help industry.

In the latter part of March when it became certain that the new social infrastructure provision would be put into the comprehensive economic measures, MITI officers talked glibly and triumphantly, saying "We are done with the device of new social infrastructure. The only remaining problem is the allocation."

The resistance of the MOF, especially the Budget Bureau, was strong against the new social infrastructure provision concept about which they had been worried, including the procurement of financial resources. As an idea, it had value for consideration, but because of their fiscal sensibilities, there was fear that the brake on issuing bonds would no longer be effective. Within the ministry, a single understanding was immediately created that expansion of the applicability of construction bonds held the same danger as deficit bonds.

If the issue of new construction bonds became possible, it would result in a stronger voice in the industrial world for MITI, which would hold substantial power over budget allocations. For the MOF, there also was the danger that it would become nothing more than a fund procurement office. Besides that, fiscal dependence on bonds would increase and the MOF would be burdened with reforming that in the future. Those in the ministry were solidly together in the contention that acceptance of the MITI-initiated new construction bond concept was the same as approving the issue of deficit bonds.

MOF thinking about financial resources is that, once the understanding of the LDP is obtained, the new social infrastructure provision concept itself cannot be disavowed. Different from existing public works projects, the provision of social infrastructure is an area where a Japanese undertaking, sought at home and abroad, has been delayed.

It is the MOF's claim that provision of social infrastructure by such a concept can be handled without depending on issuance of new construction bonds. It was settled by the fact that, during budget allocations by the Budget Bureau, it would be possible to handle it by giving much prominence to budgets for projects that would be called new social infrastructure such as university research facilities and hospital information-related facilities.

In the view of MITI, realization of the concept all at one time including financial resources is desired, but ultimately, cutting the path for the creation of new demand where computer investment is possible with government funds is a great step forward. It is in MITI's hands whether to enrich the domestic computer industry or use the trade policy card with the United States which embraces the problem of trade friction. MITI's frame of mind is probably to forsake name for substance.

Since the MOF bureaucrats turn everything to account, they have a plot in mind to destroy the existing spheres of influence on budget allocations by using the new social infrastructure provision. The Construction Ministry's share of budget allocations on public works projects is high.

Abuses have begun to be seen in that it has been difficult to propose novel policies because the percentages for every ministry are fixed.

The new social infrastructure policy has created the possibility for flexible social infrastructure spending. Whether MITI will hold the power to allocate money for spending, or whether it will return to budget allocation by the MOF is a future issue that will engage both ministries in a tug of war.

Although the attention-getter in the recent economic measures is provision of new social infrastructure, another feature is the scale.

Miyazawa Announcement Aimed at Special Effect

At the beginning of April, Prime Minister Miyazawa announced that the scale of the measures would be "the largest in history." The Tokyo stock market responded with the most sensitivity to this announcement. From a situation where the economy had been utterly dark since the beginning of March, bright economic indicators began to appear little by little. Beginning in the latter part of March, sales volume on the stock market frequently exceeded 500 million stocks a day, and there were signs that it had begun to climb. The announcement of "the largest scale in history" was sufficient to double this trend.

Since the beginning of April, the stock market has displayed what those involved in the market called "a mini bubble" condition. Almost all participants in the market are institutional investors. There is also a rush by foreigners to buy Japanese stocks. Viewing individual transactions, there are indications that public funds account for much of them. The role of market leader is played by government-affiliated funds and exaggerated buying follows that.

The MOF is by no means united on its judgment of the economy. A large prudent faction says the economy is already in the recovery process and that it will rapidly become overheated due to the size of the supplement. However, the general trend is the atmosphere within the LDP, centering on Policy Affairs Research Council chairman Mitsuzuka, that they would like to settle the recovery of the economy all at once with the supplementary measures as momentum. There is not an iota of delicate sensibility such as concerns about overheating. When the 1987 economic measures were implemented, it was decided in one night by a push from then Prime Minister Nakasone to raise the economic measures to 6 trillion yen from the 5 trillion yen intended by the MOF.

Even now, voices of remorse within the ministry say that the 1 trillion yen of that time was superfluous, reflecting the belief that it was the underlying cause of the bubble. Considering the future direction of the economy, they want by all means to avoid an unrestrained ballooning of the scale of measures.

The question remains whether the prime minister's announcement of "the largest in history" was his own idea or the choreography of the MOF. If the anger of MOF officials directly after the announcement is accepted at face value, the belief is strong that it was the prime minister's arbitrary decision.

Key officers of the LDP explain the prime minister's announcement follows his characteristic pattern aiming at a special effect. It is possible Miyazawa, who is regarded as strong on the economy, made the statement to bolster the money and stock market, which are on their way to a recover.

However, there is also strong opposition within the MOF. The MOF could ignore speeches by party members, but it cannot ignore the prime minister's speech, however, because the prime minister of a nation cannot be humiliated.

It is a fact that the MOF fully laid the groundwork within the party to prevent such an easy expansion of scale.

The officers of the party's Policy Affairs Research Council have fully conveyed awareness that the economy has entered a delicate stage. A common perception that "we cannot have a repetition of 1987" has been created in the Commerce and Industry Subcommittee whose jurisdiction is MITI.

Within the ministry, serious consideration has been given to include in the preface to the supplementary measures the phrases "freeze on public works projects" if the economy proceeds at a speed greater than anticipated and "flexible application of financial policy" such as raising the official rate.

It has been decided that the economic measures will total 13.2 trillion yen, the greatest in history for a supplementary measure, as Prime Minister Miyazawa says. They had to save each other's honor in consolidating the LDP which has no strong men. An official of the ministry laments the current situation with the LDP today, "there also are people whose only idea is to make trouble for the MOF." An answer cannot be obtained about whether measures in excess of 13 trillion yen really are necessary at the current stage of the economy without looking back in retrospect, but the runaround concerning financial resources begins now. It does not seem that the light of the MOF will be extinguished for now.

Mongolia

External Relations Minister Visits Australia

OW2807081093 Ulaanbaatar MONTSAME in English 1534 GMT 27 Jul 93

[Text] Ulaanbaatar, July 27 (OANA-MONTSAME)—The Minister of External Relations of Mongolia T. Gombosuren is in Australia on an official visit at the invitation of the Australian Government, is said in the information of the Ministry for External Relations spread [as received] here today. The head of the Foreign Political Department of Mongolia held talks with the foreign minister of Australia G. Evans on issues of bilateral relations and cooperation. T. Gombosuren presented the message of the Mongolian Prime Minister P. Jasrai to the Prime Minister of Australia P. Keating. During the visit the documents about projects to be realized in Mongolia with assistance of Australia, about training of persons and cooperation of the two countries in the sphere of sports were signed.

The Mongolian minister had a meeting with the chairman of the Standing Committee of the Australian Parliament on foreign political and security issues Senator Luusley [name as received], exchanged views on relations and cooperation between the supreme legislative organs of Mongolia and Australia. At the meeting the Mongolian minister presented to the senator the message of the head of the Mongolian Parliament N. Bagabandi to the speaker of the Australian Parliament S. Martin.

During his visit T. Gombosuren met with representatives of business circles of Australia. He also visited the zoological gardens, where held was the ceremony of presenting of five tahi—wild horses—to the Government of Mongolia as a gift from the government of the state of New South Wales.

Japanese Peace Institute Representatives Visit

OW2807081393 Ulaanbaatar MONTSAME in English 1523 GMT 27 Jul 93

[Text] Ulaanbaatar, July 27 (OANA-MONTSAME)—The representatives of the Institute of Study of Problems of Peace and Security of Japan have participated in the scientific meeting on problems of international security of Eastern Asia held here. The meeting was organized by the institute of strategic research of the Ministry for Defence. The Japanese delegation headed by the director of the institute K. Tsukamoto was received by the adviser of the president J. Enhsaihan. The next meeting of the representatives of the Mongolian and the Japanese Institutes of Study of Problems of Peace and Security will be held in Tokyo.

XXX 28307-5240 XXXFCL R 1 *Z

COMMANDER
4TH PSYOP GROUP
ATTN ASOF-POG-SB
FORT BRAGG NC

4653

28307-5240

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

70